



# **A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF**

**SILVERWOOD PLACE  
5633 Highway 21 S  
Rincon, Effingham County, Georgia 31326**

**Effective Date: June 23, 2010**

**Report Date: July 19, 2010**

***Prepared For***

**Silverwood Place, L.P.  
203 West Church St.  
Fort Valley, GA 31030**

***Prepared By***

**Novogradac & Company LLP  
2325 Lakeview Parkway  
Suite 450  
Alpharetta, Georgia 30009  
678.867.2333**



July 19, 2010

Silverwood Place, L.P.  
203 West Church St.  
Fort Valley, GA 31030

**Re: Market Study for Silverwood Place Apartments in Rincon, Georgia**

To Whom It May Concern:

At your request, Novogradac & Company LLP performed a market study of the senior rental market in the Rincon, Effingham County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the viability of the construction of Silverwood Place Apartments, a proposed elderly development consisting of 48 units. Units will be restricted to senior (HFOP) households ages 55 and older earning 50 and 60 percent of the AMI, or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy level for the market area.
- Investigating the health and conditions of the multifamily market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, Low-Income Housing Tax Credit (LIHTC) and market rate.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Information included in this report is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market. This report was completed in accordance with GA DCA market study guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company, LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,



---

H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP



---

Michalena M. Sukenik  
Manager  
Novogradac & Company LLP



---

Kristina V. Garcia  
Real Estate Analyst  
Novogradac & Company LLP

## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
9. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the

author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, Subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

## TABLE OF CONTENTS

A. EXECUTIVE SUMMARY AND CONCLUSION .....	1
B. PROJECT DESCRIPTION .....	10
C. SITE EVALUATION .....	14
D. MARKET AREA .....	25
Primary Market Area .....	26
E. COMMUNITY DEMOGRAPHIC DATA.....	31
F. EMPLOYMENT TRENDS .....	36
G. PROJECT-SPECIFIC DEMAND ANALYSIS .....	46
H. COMPETITIVE RENTAL ANALYSIS .....	64
I. ABSORPTION AND STABILIZATION RATES.....	85
J. INTERVIEWS.....	86
K. CONCLUSIONS AND RECOMMENDATIONS .....	105
L. SIGNED STATEMENT REQUIREMENTS.....	109

Addendum

## **A. EXECUTIVE SUMMARY AND CONCLUSION**



## EXECUTIVE SUMMARY AND CONCLUSIONS

**1. Project Description:**

The Subject will be located at 5633 Highway 21 South in Rincon, Georgia. The Subject will target seniors ages 55 and older and will consist of 48 units in five residential single-story, new construction buildings. The Subject will also offer one community building. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

**PROPOSED RENTS**

Unit Type	Number of Units	Size (SF)	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI</i>							
1BR/1BA	3	750	\$390	\$130	\$520	\$553	\$732
2BR/2BA	5	955	\$450	\$166	\$616	\$663	\$815
<i>60% AMI</i>							
1BR/1BA	15	750	\$400	\$130	\$530	\$663	\$732
2BR/2BA	25	955	\$450	\$166	\$616	\$796	\$815
<b>Total</b>	<b>48</b>						

Notes (1) Source of Utility Allowance provided by the Developer.

The Subject will offer the following amenities: porches/patios, central air conditioning, dishwasher, garbage disposal, hand rails, pull cords, microwaves, refrigerator, washer/dryer connections, computer lab, community room, exercise facility, central laundry, off-street parking, on-site management, picnic area, and gazebo. The Subject's in-unit and common area amenities will be similar to the LIHTC properties and competitive with the comparable properties overall.

**2. Site Description/Evaluation:**

The site is generally level and has been cleared. Land immediately surrounding the site is wooded. The Subject is located off of Highway 21, which is a four-lane highly trafficked thoroughfare. The Subject site is set back from Highway 21 on Silverwood Court. Silverwood Court is a small side street that is lined with a Kroger retail center (Shoppes at Silverwood), a car dealership, and a daycare center. Because Silverwood Court is a smaller side street, tenants residing at the Subject will be able to easily walk to the center from the Subject. Further, the uses along Silverwood Court provide a buffer between the Subject site and the traffic along Highway 21. The Subject's visibility

will be somewhat limited but the Subject will have excellent access as it is located off of Highway 21. The Subject will have views of wooded land, the back of the Kroger grocery store, a day care facility located adjacent to the Subject site, and a car dealership. Overall, the Subject's views are considered average. The Subject site's greatest advantage is its location within walking distance of the Shoppes of Silverwood, which appears to be 100 percent occupied with a CATO clothing store, a Hong Kong Buffet restaurant, a Pizza Hut, and a Jackson Hewitt Tax Services office. The car dealership is located adjacent to the retail center, both of which are in good condition. Overall, the site is considered a good location for an affordable development as it provides convenient access to retail.

### **3. Market Area Definition:**

The boundaries of the PMA are: Screven-Effingham county line to the north, Interstates 16 and 95 to the south, Georgia-South Carolina border to the east, Effingham-Bulloch county line to the west. The PMA encompasses Effingham County and Pooler, northwest of Interstate 95 and north of Interstate 16. Rincon is a growing area as residents from the Savannah area move outward towards the suburbs that offer more room for growth including Garden City, Pooler, and Rincon to the northwest. The Subject's PMA extends farther northwest than to the south as Highway 21 provides direct access to these more rural areas. The farthest PMA boundary from the Subject site is 23.7 miles and the closest boundary is 4.6 miles. Highway 21 also travels southeast from Rincon, providing the area with convenient access to Garden City and Savannah. Property managers at Veranda Village in Rincon and Sheppard Station in Pooler indicated that residents are moving farther out and into Effingham County because of new retail and economic development in these areas. The property manager at Sheppard Station reported that seniors in particular opt to live farther from the city for suburban living. Property managers at Veranda Village and Sheppard Station reported that several tenants are from outside the PMA. These tenants have moved to the area to be closer to their adult children. Due to the reported leakage at the senior LIHTC comparables, we have estimated that 15 percent of tenants will come from outside the PMA.

### **4. Community Demographic Data:**

The Subject is located in Rincon, Effingham County, Georgia. Overall, there is very strong population and

household growth in the PMA, among the total population and the senior population. The senior population, for persons 55 and above, is growing at a significant 6.3 annual rate, almost twice the expected rate in the Savannah MSA between 2009 and 2014. In 2009, this senior population was 13,491 and is projected to increase to 17,738 in 2014. This strong senior population growth is a strong indication of demand for the Subject. The increase in total senior households is also projected to be very strong, growing at a 6.7 percent annual rate, over twice the rate expected in the Savannah MSA. In 2009, the number of senior households was 7,555 and is projected to increase to 10,097 in 2014. The tenure pattern in the PMA is on par with the national rate, with 14 percent of seniors residing in renter-occupied housing units, compared to the national rate of 13 percent.

The Subject will target households earning incomes between \$15,600 and \$28,320. In 2009, approximately 29.1 percent of households earn between \$10,000 and \$29,999 in the PMA. Persons in these income cohorts are expected to create demand for the Subject. Another strong trend for the Subject is the household composition. Among seniors 55 and above, approximately 88 percent in 2009 resided in one or two person households. This data is strong support for the Subject's one and two bedroom units.

Two of the four comparable properties interviewed experienced rent growth over the past twelve months. This is also a positive trend for the Subject.

According to RealtyTrac's May 2010 foreclosure research, there were approximately 152 properties that filed for foreclosure in Rincon, GA; which equates to approximately one in every 306 housing units filed for foreclosure. Effingham County experienced a slightly lower foreclosure rate in May 2010 of one in every 318 housing units. Comparatively, Georgia experienced a foreclosure rate of one in every 334 housing units and the nation experienced a foreclosure rate of one in every in that same month. Based on our site inspection, there did not appear to be any foreclosed or abandoned property near the Subject. Therefore, we do not expect that the Subject will be negatively affected by foreclosures.

We also spoke with Ms. Karen Thomas, a realtor at Coldwell Banker Platinum Partners regarding the sales of seniors' homes in the Savannah MSA. Ms. Thomas

reported that because home sales have improved in 2010 over 2009, the state of the local real estate market is not a hindrance for seniors should they want to sell their homes.

The community demographics along with the demand analysis demonstrate that there is sufficient demand for the Subject's one and two bedroom units as proposed.

## **5. Economic Data:**

Total employment in Effingham County increased significantly between 2005 and 2008, but also declined significantly in 2009. Between December 2008 and December 2009, total employment had declined over ten percent. The largest industries in the PMA are manufacturing, retail trade, and construction. These three industries are particularly susceptible during recessions.

Ms. Fran Miller with the Effingham County Chamber of Commerce reported that there were no major layoffs in the county and no layoffs were reported to the Georgia Department of Labor between 2008 and 2010 in Effingham County. This implies that the decrease in employment was due to a large number of small layoffs.

The Savannah MSA experienced strong employment growth from 2004 to 2007. As a result of the housing crisis and subsequent recession, annual total employment growth slowed in 2008 through 2010 (to date). Between April 2009 and April 2010, total employment decreased approximately 1.7 percentage points, while the national employment decreased 0.9 percent during the same period. Similarly, the year-over-year comparison of unemployment rates in the Savannah MSA indicates an increase of just under one percentage point. Between 2005 and 2010 (as of April 2010), the unemployment rate in the Savannah MSA increased from 4.3 percentage points to 8.9 percentage points. The Savannah unemployment rate remains under the national unemployment rate at 8.3 percent in April 2010, compared to 9.5 percent in April 2010 for the nation. As of April 2010, the unemployment rate in Effingham County was 8.1 percent, according to the Bureau of Labor Statistics. This is lower than Savannah, Georgia, and the nation. According to the building and zoning coordinator of the Effingham County Planning and Zoning department, Tia Westmoreland, indicated that a Verizon building has been proposed approximately 2.1 miles from the Subject.

Plans have not yet been submitted, but if this building is constructed, it would certainly add jobs to the community.

The Subject will offer two bedroom age-restricted units. Seniors are generally less affected by the local economic downturn as they typically do not require employment. As other senior properties near the Subject have maintained high occupancy, we do not expect the Subject to be negatively affected by the recession.

## 6. Project-Specific Affordability And Demand Analysis:

There are 350 income-qualified renter households in the PMA. The Subject would capture 12.8 percent of the income-qualified renter households in order to stabilize at 93 percent occupancy. The following table illustrates the Subject's capture rates.

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
1BR @ 50%	3	105	20	85	3.5%
2BR @ 50%	5	97	24	73	6.8%
1BR @ 60%	15	159	5	154	9.7%
2BR @ 60%	25	147	5	142	17.6%
<b>Overall</b>	<b>48</b>	<b>315</b>	<b>54</b>	<b>261</b>	<b>18.4%</b>

Based upon capture rates, we believe the Subject is feasible as proposed.

## 7. Competitive Rental Analysis:

Our competitive survey includes six "true" comparable properties containing 1,037 units. The availability of LIHTC data is considered limited. We have included two LIHTC properties that located within the PMA. Veranda Village is a family LIHTC property located in Rincon and approximately 50 percent of its tenants are seniors. Sheppard Station is a new senior LIHTC property located in Pooler, approximately 13.3 miles from the Subject site.

The PMA includes several luxury market rate properties that are comparable to the Subject in age/condition but not in amenities; and, there are several older market rate properties that are inferior to the Subject in age/condition. We have included the closest market rate comparables including The Georgian, which is an older unrestricted property that is located within 1.4 miles of the Subject site, and two new market rate comparables within 2.1 miles of

the Subject site: Rice Creek and The Springs at Effingham. Both are currently experiencing prolonged absorption periods and are 70 and 84 percent occupied, respectively. The Springs at Effingham is located across Highway 21 from the Subject and therefore is located in the Subject's immediate neighborhood. While the rents at these properties are significantly higher than those proposed for the Subject, these properties demonstrate the current new construction multifamily market in Rincon.

In addition to these comparables, Sheppard Station and Veranda Village offer unrestricted units. We have also included Veranda at Midtown, which is located in Savannah, as it offers unrestricted units that target seniors. The unrestricted units at these comparables are more indicative of achievable senior unrestricted rents in the market.

The following table demonstrates the Subject's rents and rent advantage over the comparable properties.

#### SUBJECT RENT COMPARISON TO LIHTC AND MARKET RENTS

Unit Type	Subject Rent	Surveyed Min	Surveyed Max	Surveyed Average (All Comps)	Surveyed Average (Senior/LIHTC Comps)	Subject Rent Advantage*
1 BR @ 50%	\$390	\$415	\$825	\$572	\$480	19%
2 BR @ 50%	\$450	\$450	\$1,040	\$741	\$516	13%
1 BR @ 60%	\$400	\$415	\$825	\$572	\$480	17%
2 BR @ 60%	\$450	\$450	\$1,040	\$741	\$516	13%

\*Based upon the Subject's rent advantage over the surveyed average of the LIHTC and unrestricted units at the senior and/or LIHTC comparables.

As illustrated, the Subject's rents will have a rent advantage for all units. Overall, the Subject's rents are set at or below the LIHTC comparables, which are 98 to 100 percent occupied with waiting lists. Therefore, we believe the Subject's rents are achievable as proposed.

#### 8. Absorption/Stabilization Estimate:

Three properties were able to report absorption rates. These are summarized in the following table. It should be noted that Springs at Effingham and Rice Creek are continuing to stabilize and therefore the following data is preliminary.

**ABSORPTION RATES**

<b>Property</b>	<b>Location</b>	<b>Type</b>	<b>Tenancy</b>	<b>Year Built/Opened</b>	<b>Number of Units Absorbed Per Month</b>
Springs at Effingham	Rincon	Market	Family	2008	9
Rice Creek	Port Wentworth	Market	Family	2009	16
Sheppard Station	Pooler	LIHTC, Market	Senior	2009	12
<b>AVERAGE</b>					<b>12</b>

Springs at Effingham is continuing to stabilize and is experiencing difficulty due to the large number of units at the property and turnover as the property has been stabilizing since April 2008. Rice Creek is also continuing to stabilize and has reached an absorption period extending beyond one year; therefore, the property is also experiencing turnover as a hindrance to reaching 93 percent occupancy. Sheppard Station is a senior LIHTC property in Pooler that opened in 2009 and stabilized at a rate of 12 units per month. The Subject will offer similar LIHTC rents to Sheppard Station; therefore, we believe the Subject will stabilize at a similar rate of 12 units per month. This rate yields an absorption period of three or four months.

**9. Overall Conclusion:**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. We recommend the Subject as proposed. Strengths of the Subject will include its location within walking distance to retail, its new construction, its design as a single-story development, and its proximity to Highway 21, which provides excellent access to and from the site. The Subject will offer rents at or below the existing LIHTC comparables, which are 98 to 100 percent occupied with waiting lists. The Subject's rent advantage over the surveyed average of the comparables is significant, ranging from 32 to 37 percent. Further, management at the one LIHTC property in Rincon reported that there is demand for 100 senior LIHTC units in the market. management at the senior comparables reported demand for additional senior units in the market. The Subject will be the only senior LIHTC property in Rincon and will be an improvement to the neighborhood.

(must be completed by the analyst and included in the executive summary)

Rental Housing Stock (found on pages 97 and 99)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	6	1,037	187	82.0%
Market-Rate Housing*	6	810	185	77.2%
Assisted/Subsidized Housing not to include LIHTC	N/Ap	N/Ap	N/Ap	N/Ap
<b>LIHTC*</b>	2	138	2	98.6%
Stabilized Comps	4	445	41	90.8%
Properties in Construction & Lease Up	2	592	146	75.3%

					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit*	Per SF	Advantage	Per Unit	Per SF
3	1BR (50% AMI)	1	750	\$390	\$480	\$0.64	19%	\$711	\$0.96
5	2BR (50% AMI)	2	955	\$450	\$516	\$0.54	13%	\$787	\$0.72
15	1BR (60% AMI)	1	750	\$400	\$480	\$0.64	17%	\$711	\$0.96
25	2BR (60% AMI)	2	955	\$450	\$516	\$0.54	13%	\$787	\$0.72

Demographic Data (found on pages 35 and 62)						
	2000		2009		2012	
Renter Households	650	13.22%	1,088	14.43%	1,300	14.40%
Income-Qualified Renter HHs (LIHTC)	176	27.00%	294	27.00%	351	27.00%
Income-Qualified Renter HHs (MR) (if applicable)	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall
Renter Household Growth	N/Ap	114	170	N/Ap	N/Ap	175
Existing Households (Overburdened + Substandard)	N/Ap	52	78	N/Ap	N/Ap	80
Homeowner conversion (Seniors)	N/Ap	41	66	N/Ap	N/Ap	69
Less Comparable/Competitive Supply	N/Ap	44	10	N/Ap	N/Ap	54
<b>Net Income-qualified Renter HHs*</b>	N/Ap	<b>163</b>	<b>304</b>	N/Ap	N/Ap	<b>270</b>

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	5.10%	13.50%	N/Ap	N/Ap	18.40%

\*Does not match demand analysis as this does not take into account bedroom types, persons per household, or leakage.



## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

**Project Address and  
Development Location:**

The Subject is located at 5633 Highway 21 South in Rincon, Effingham County, Georgia.

**Construction Type:**

The Subject will be new construction and will consist of 48 one-story units that consist brick and fiber cement siding.

**Occupancy Type:**

The Subject will target senior households ages 55 and older (HFOP).

**Special Population Target:**

None.

**Number of Units by Bedroom  
Type and AMI Level:**

**See following property profile.**

**Unit Size:**

**See following property profile.**

**Structure Type:**

**See following property profile.**

**Rents and Utility Allowances:**


**See following property profile.**

**Existing or Proposed**

**Project Based Rental Assistance:** Not applicable.

**Proposed Development Amenities:** **See following property profile.**

# Silverwood Place, Rincon, GA; Market Study

Silverwood Place											
Comp #	Subject										
Effective Rent Date	7/23/2010										
Location	5633 Hwy 21 S Rincon, GA 31326 Effingham County (verified)										
Units	48										
Vacant Units	N/A										
Vacancy Rate	N/A										
Type	One-story (age-restricted)										
Year Built / Renovated	2012										
											
Utilities											
A/C	not included -- central					Other Electric			not included		
Cooking	not included -- electric					Water			not included		
Water Heat	not included -- electric					Sewer			not included		
Heat	not included -- electric					Trash Collection			included		
Unit Mix (face rent)											
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	One-story	3	750	\$390	\$0	@ 50%	n/a	N/A	N/A	no
1	1	One-story	15	750	\$400	\$0	@ 60%	n/a	N/A	N/A	no
2	2	One-story	5	955	\$450	\$0	@ 50%	n/a	N/A	N/A	no
2	2	One-story	25	955	\$450	\$0	@ 60%	n/a	N/A	N/A	no
Amenities											
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Garbage Disposal Hand Rails Microwave Oven Pull Cords Refrigerator Washer/Dryer hookup					Security			none		
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area					Premium			none		
Services	none					Other			Gazebo		
Comments											
The Subject will target seniors ages 55 and older and will be within walking distance to the Kroger retail center, behind which the site is located. The Subject's utility allowance estimates are \$130 and \$166 for the one- and two-bedroom units, respectively. The Subject's gross rents are \$520 and \$616 for the units at 50 percent AMI and \$530 and \$616 for the units at 60 percent AMI.											

<b>Scope of Renovations:</b>	Not applicable. The Subject will be new construction.
<b>Current Rents:</b>	Not applicable.
<b>Current Occupancy:</b>	Not applicable. The Subject will be new construction.
<b>Current Tenant Income:</b>	Not applicable.
<b>Placed in Service Date:</b>	The Subject is projected to enter the market in June 2012.
<b>Conclusion:</b>	The Subject will be a brick and fiber cement siding one-story apartment complex, comparable to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

## **C. SITE EVALUATION**

**1. Date of Site Visit and****Name of Site Inspector:**

Kristina Garcia visited the site on June 23, 2010.

**2. Physical Features of the Site:**

The following illustrates the physical features of the site.

*Frontage:*

The Subject site has frontage along Silverwood Court.

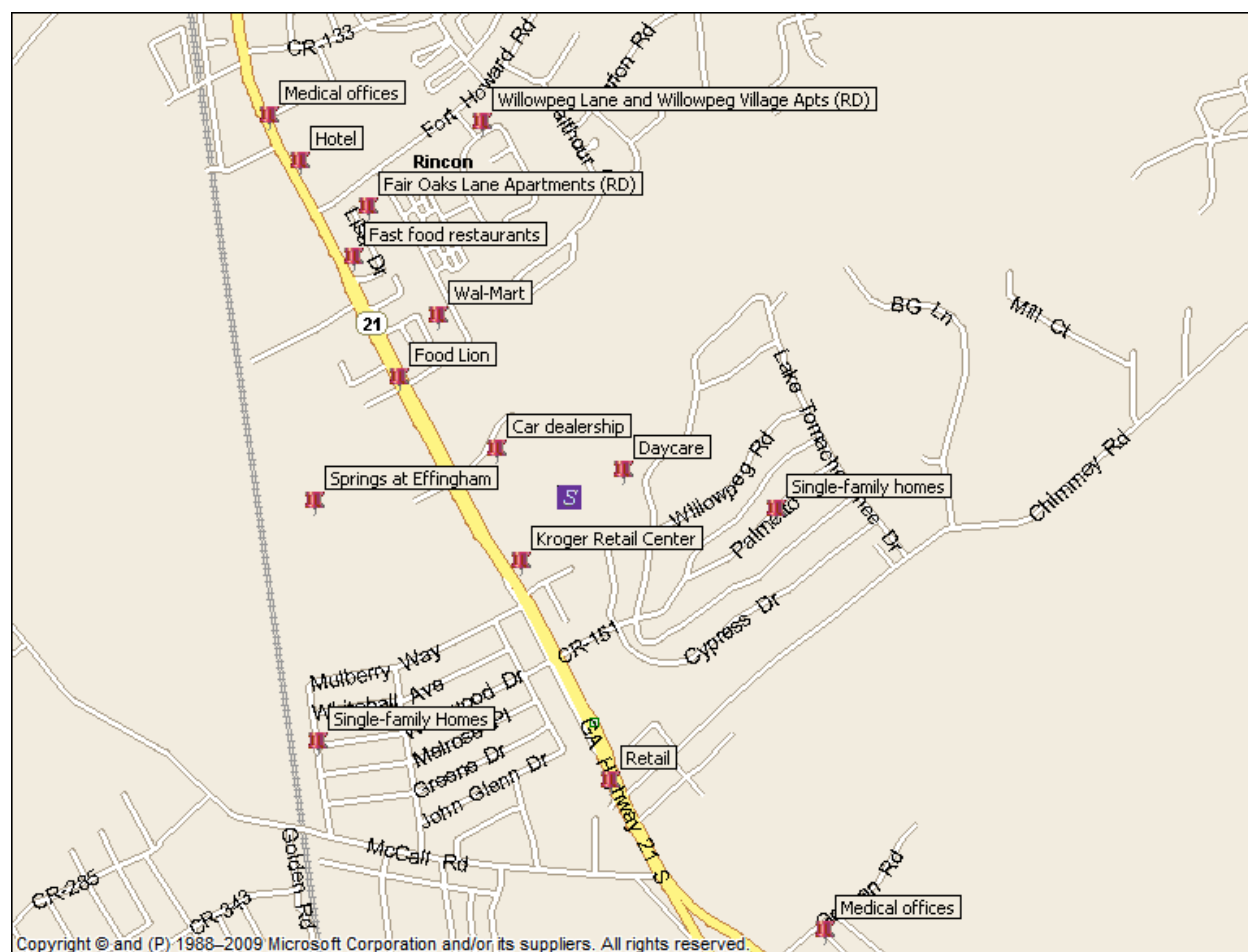
*Visibility/Views:*

The Subject is located north of Silverwood Court and east of Highway 21. Views will be of wooded land, a Kroger grocery store, and a daycare center. The Subject will have limited visibility as it is setback from Highway 21 and Silverwood Court. Overall, views and visibility are considered average.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.

The following map and pictures illustrate the surrounding land uses.



The Subject site can be accessed from Highway 21 via

Silverwood Court. The Subject site is setback from Highway 21 and is preceded by various uses including: a day care center located adjacent to the site, the Shoppes at Silverwood retail center (Kroger retail center), unimproved land, and a car dealership. The retail center is in good condition and is 100 percent occupied with a CATO clothing store, a Hong Kong Buffet restaurant, a Pizza Hut, and a Jackson Hewitt Tax Services office. Single-family homes are located southeast of the Subject site; however, these are not visible from the site as they are buffered by the retail center and wooded land. Single-family homes in the neighborhood range in condition from average to excellent as the neighborhood consists of both established subdivisions and newly constructed homes. The Subject's larger neighborhood includes mixed uses such as fast food restaurants, multifamily rental properties, hotels, and medical offices. Multifamily uses include USDA Rural Development properties such as Willowpeg Lane, which are not included as comparables in this report as their rent structure is not comparable to that of the Subject. Another multifamily property, Springs at Effingham, is located across Highway 21 from the Subject site and is included as a comparable in this report as it is in the Subject's immediate neighborhood and offers newly constructed units in excellent condition.

*Positive/Negative Attributes of Site:* The Subject will have limited visibility as it is set back from Highway 21. However, the Subject site's location behind the retail center serves as a buffer for the senior community from traffic and related noise along Highway 21. Positive attributes of the site include its location within walking distance to retail, which will increase the marketability of the Subject particularly as the Subject targets seniors.

### **3. Physical Proximity to Locational Amenities:**

The Subject is well located off of Interstate 21 in Rincon, approximately 17.5 miles from downtown Savannah. The Subject is within 2.1 miles of the local pharmacy, grocery store, and Wal-Mart. The Subject is within 9.5 miles of public elementary, middle and high schools. There is a public library located 1.3 miles from the Subject. The closest senior center is approximately 10.3 miles southeast of the Subject.

#### 4. Pictures of Site and Adjacent Uses:



Subject site



Kathy's Day Kare (Adjacent to Subject site)



View of rear Kroger (Across from Subject Site)



View of access to Highway 21 from Subject site



View of unimproved land across from Subject site



Kroger Retail Center





View south on Highway 21



View north on Highway 21



Car dealership on Highway 21 (West of Subject site)



Restaurant along Highway 21



Wal-Mart Center (1.1 miles from Subject site)



Medical offices off of Highway 21 (1.5 miles from site)



Typical single-family home (Excellent)



Typical single-family home (Excellent)



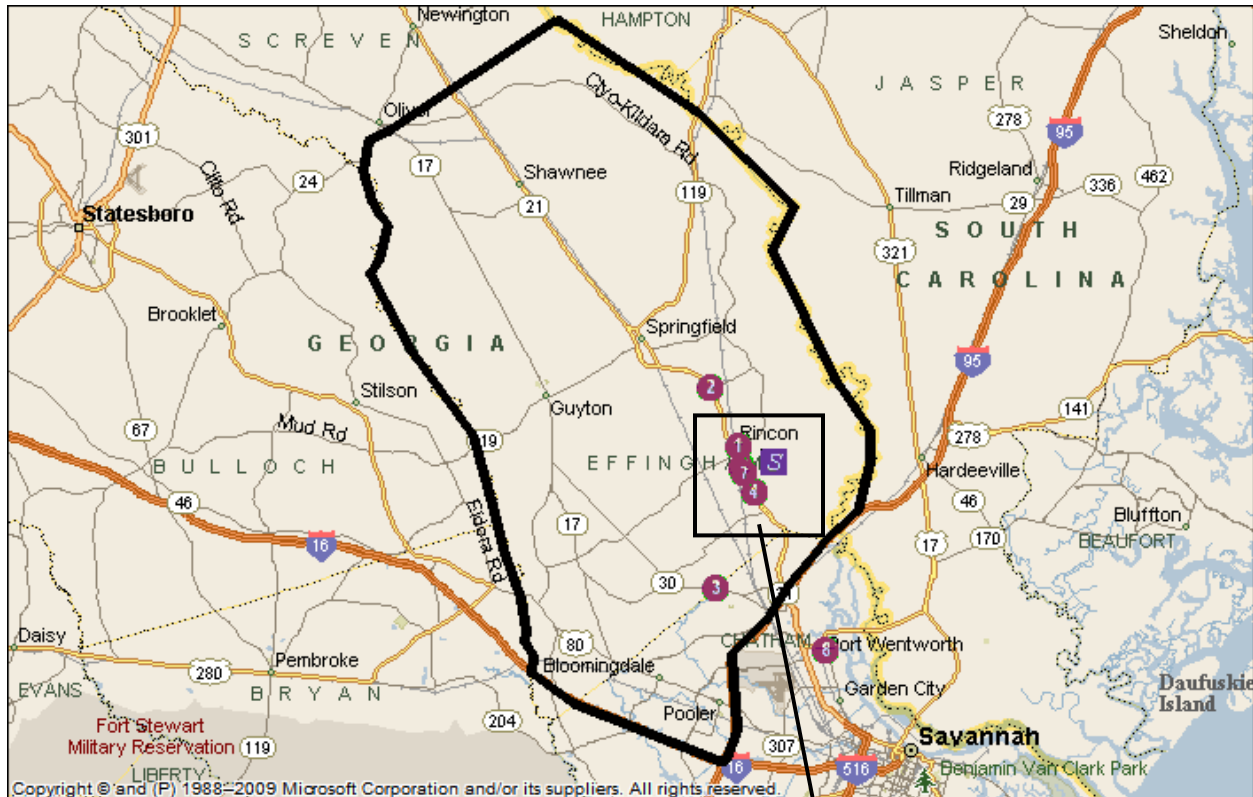
Typical single-family home (Average) Westwood Drive



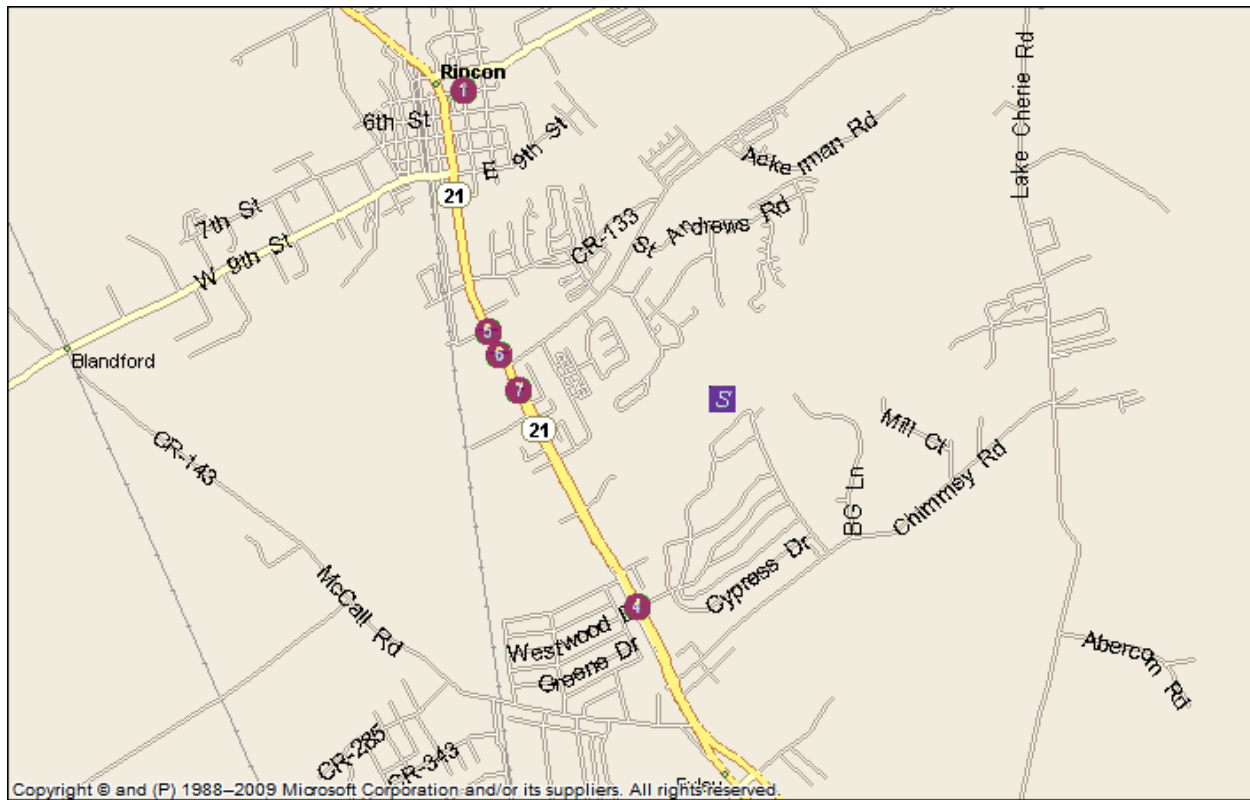
Willowpeg Village (Elderly RD – 1.6 miles from site)

## 5. Proximity to Locational Amenities:

The following table details the Subject's distance from key locational amenities.







### LOCATIONAL AMENITIES

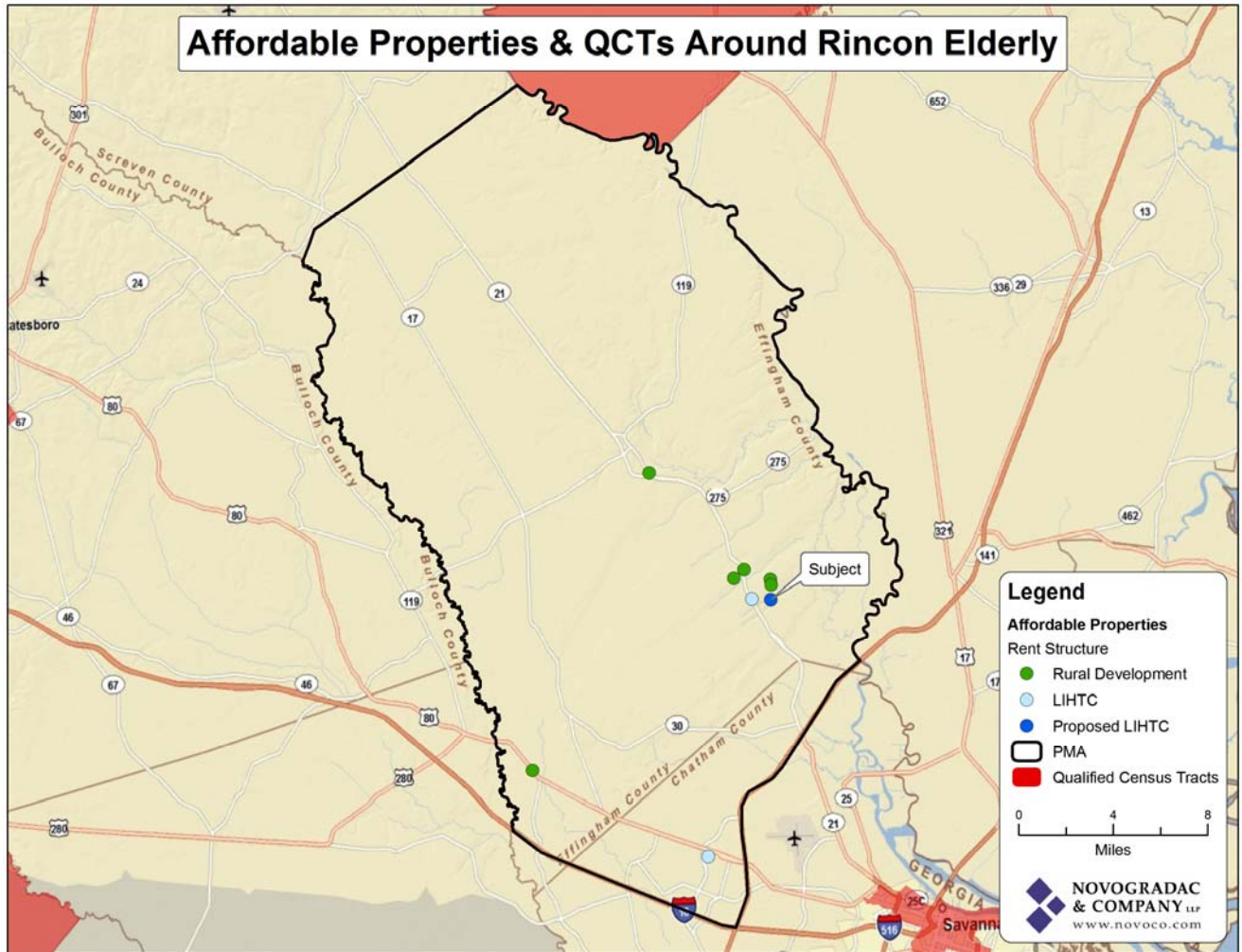
Map #	Amenity	Service	Distance from Subject
1	Rincon Elementary School	Elementary School	2.5 miles
2	Ebenezer Middle School	Middle School	5.6 miles
3	South Effingham High School	High School	9.5 miles
4	Kroger	Pharmacy/Grocery	0.0 miles
5	South Effingham Public Library	Library	1.3 miles
6	St. Joseph's/Candler Medical Center	Medical Center	1.2 miles
7	Wal-Mart	Retail	1.0 miles
8	Ed Young Senior Citizens	Senior Center	10.3 miles
N/Ap	N/Av	Public Transportation	N/Ap

## 6. Existing Assisted Rental Housing

### Property Map:

The following map and list identifies all assisted rental housing properties in the PMA.

Name	Distance from Subject	City	Type	Map Color	Tenancy	Included/ Excluded	Reason for Exclusion
<b>Rincon Elderly</b>	-	<b>Rincon</b>	<b>50, 60%</b>		<b>HFOF</b>	-	-
Sheppard Station	13.3 miles	Pooler	50,60, MKT		Elderly	Included	N/Ap
Veranda Village	1.2 miles	Rincon	30,50,60, MKT		Family	Included	N/Ap
Fair Oaks Lane Apts	1.3 miles	Rincon	RD		Family	Excluded	Rent structure not comparable
Pine Manor Apartment	2.4 miles	Rincon	RD		Family	Excluded	Rent structure not comparable
Willowpeg Lane	1.6 miles	Rincon	RD		Family	Excluded	Rent structure not comparable
Willowpeg Village	1.6 miles	Rincon	RD		Elderly	Excluded	Rent structure not comparable
Spring Hollow Apartments	9.9 miles	Springfield	RD		Family	Excluded	Rent structure not comparable



**7. Road/Infrastructure****Proposed Improvements:**

As of the date of the site inspection, there are no ongoing infrastructure improvements in the Subject's immediate neighborhood.

**8. Access, Ingress/Egress and Visibility of site:**

The Subject is located on Silverwood Court off of Highway 21. The Subject has adequate access as it is located off of Highway 21, which is a four-lane heavily trafficked thoroughfare. The site has average views of a day care center, wooded land, vacant unimproved land, the back of a Kroger grocery store, and a car dealership. Visibility of the site is limited due to the fact that the parcel is set back from Highway 21 behind retail. However, the retail provides a buffer between the Subject site and Highway 21 traffic and the site as it is within walking distance to retail, which is a positive attribute. Overall, visibility and views are average.

**9a. Environmental Concerns:**

None visible upon site inspection.

**9b. Detrimental Influences:**

There are no significant detrimental influences.

**10. Conclusion:**

The Subject is located along Silverwood Court off of Highway 21, which is a highly trafficked, four-lane thoroughfare. The Subject site is setback from the highway behind a car dealership and The Shoppes at Silverwood, which is a retail center that is 100 percent occupied and in good condition. The site is located within walking distance of this center, which is anchored by a Kroger grocery store. The Subject's location within walking distance to retail mitigates the Subject's limited visibility. Overall, the Subject's immediate neighborhood presents an excellent location for an affordable, multifamily development and the Subject as new construction will have a positive impact on the local neighborhood.

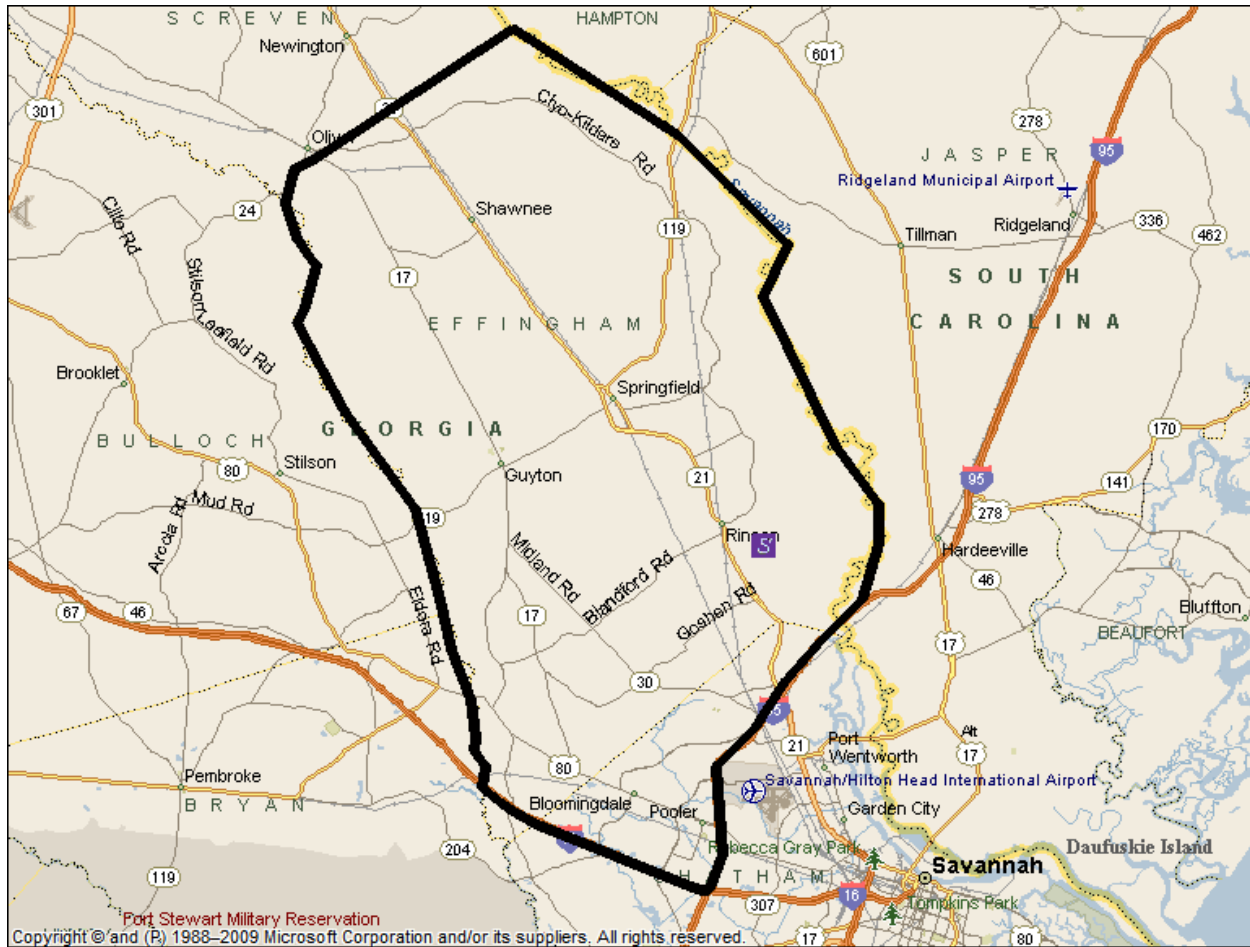
## **D. MARKET AREA**



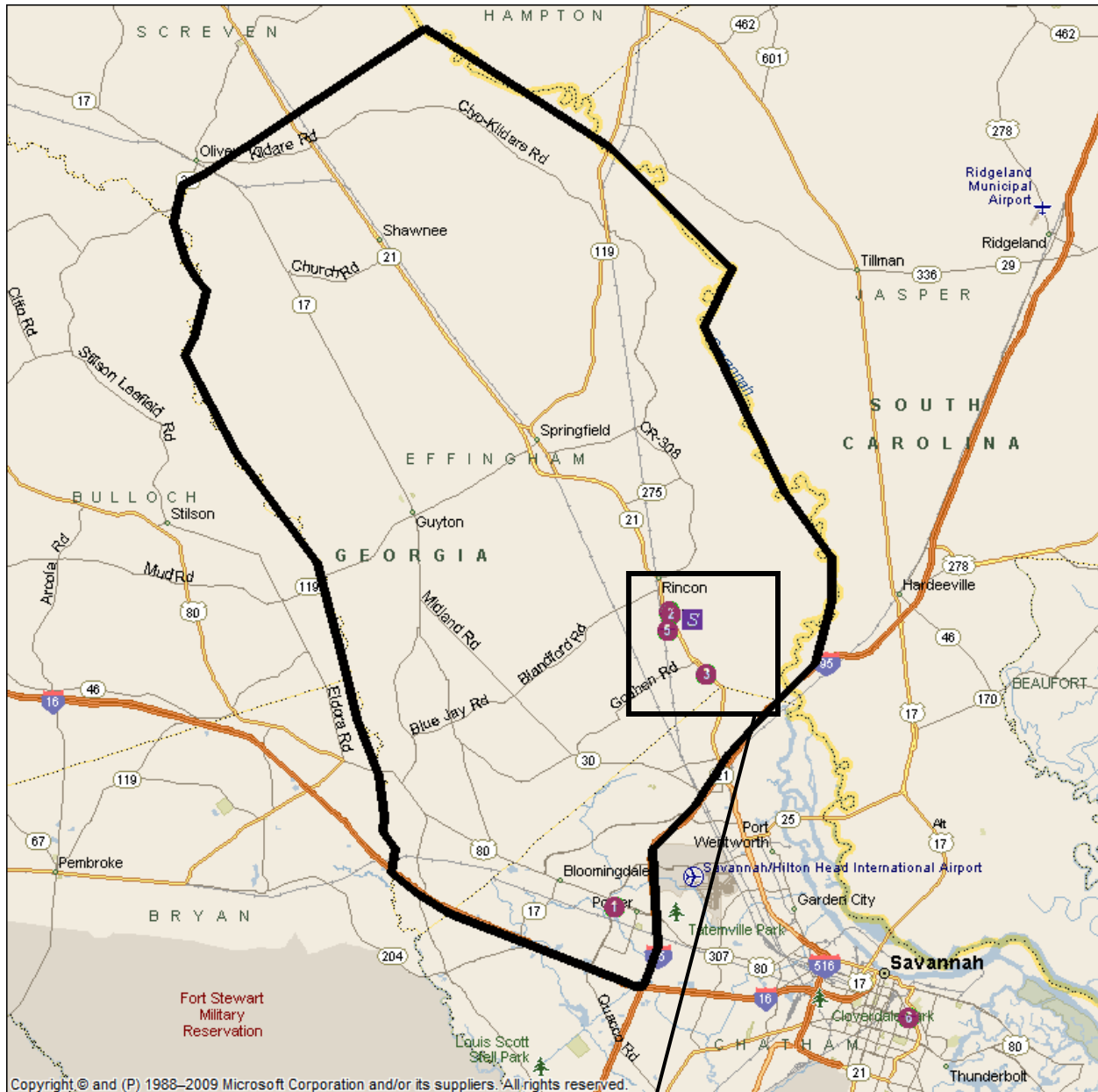
## PRIMARY MARKET AREA

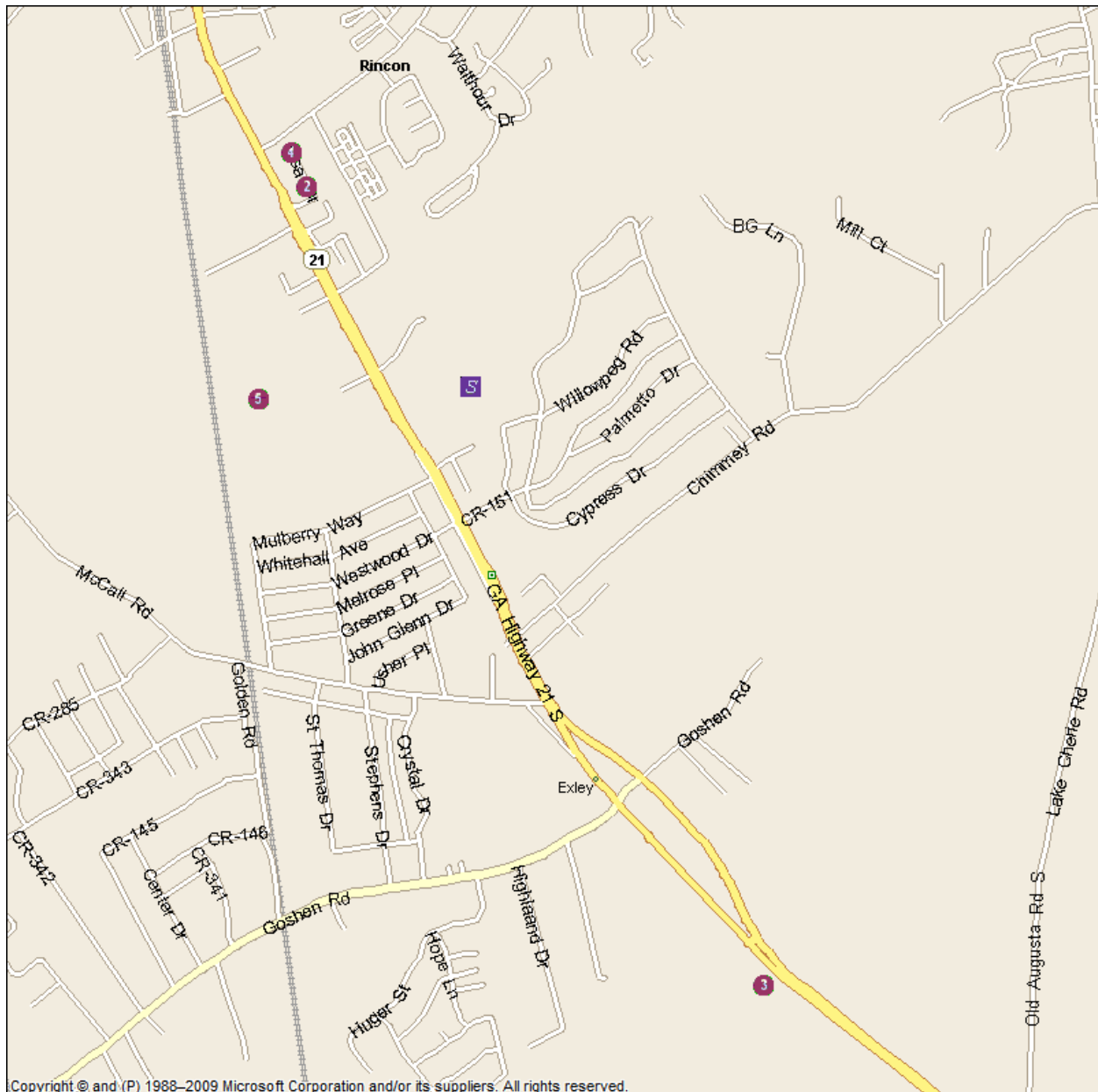
For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

## Primary Market Area Map



Primary Market Area Map – Comparable Properties

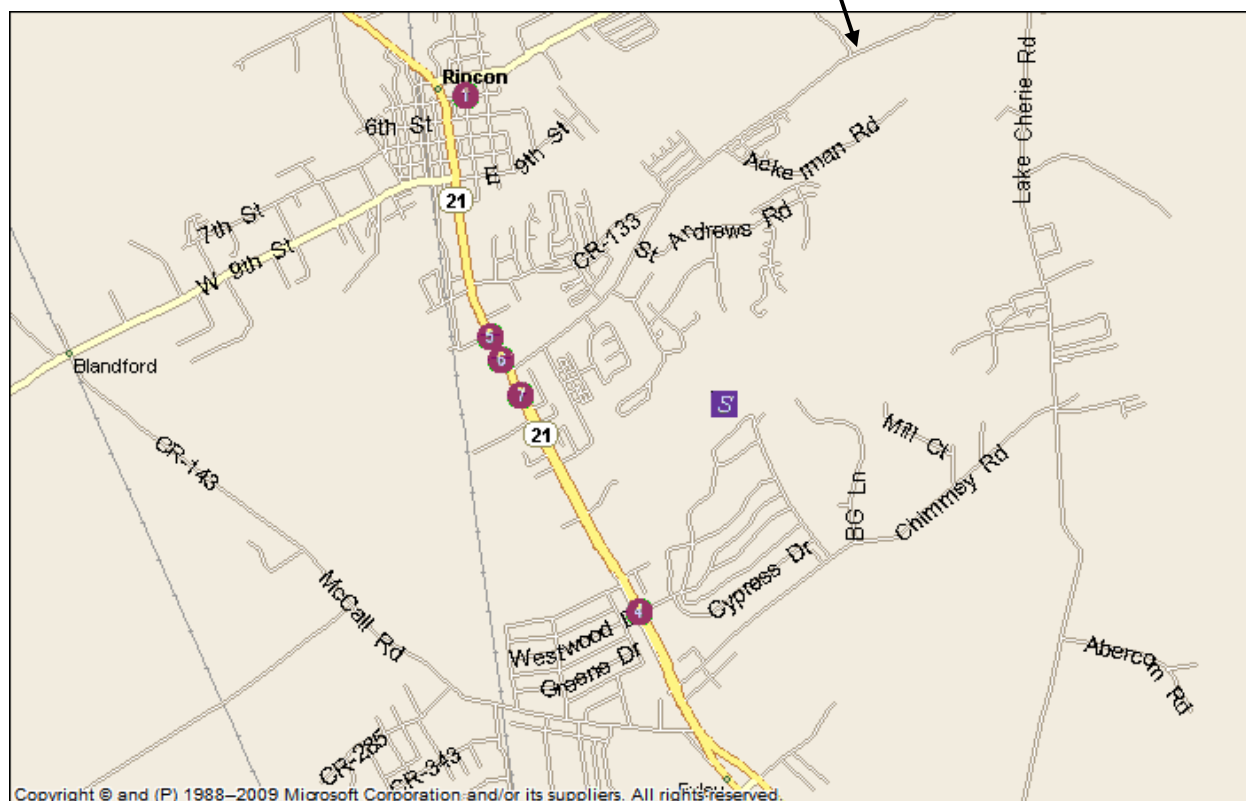
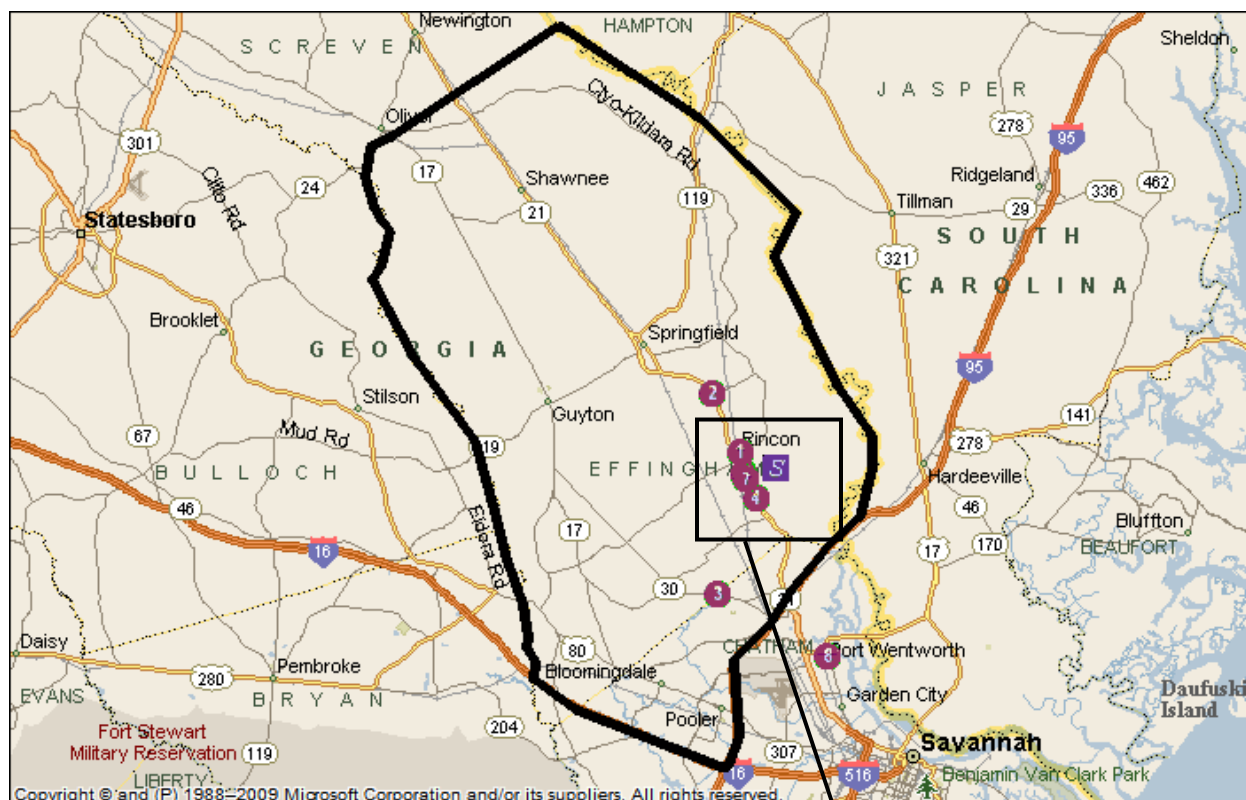




### COMPARABLE PROPERTIES

#	Property Name	City	Tenancy	Type	Distance
1	Sheppard Station	Pooler	Senior	50%, 60%, Market	13.3 miles
2	Veranda Village	Rincon	Family	30%, 50%, 60%, Market	1.2 miles
3	Rice Creek	Port Wentworth	Family	Market	2.1 miles
4	The Georgian	Rincon	Family	Market	1.4 miles
5	The Springs At Effingham	Rincon	Family	Market	0.9 miles
6	Veranda At Midtown	Savannah	Senior	Market	20.2 miles

### Primary Market Area Map – Locational Amenities



**LOCATIONAL AMENITIES**

<b>Map #</b>	<b>Amenity</b>	<b>Service</b>	<b>Distance from Subject</b>
1	Rincon Elementary School	Elementary School	2.5 miles
2	Ebenezer Middle School	Middle School	5.6 miles
3	South Effingham High School	High School	9.5 miles
4	Kroger	Pharmacy/Grocery	0.0 miles
5	South Effingham Public Library	Library	1.3 miles
6	St. Joseph's/Candler Medical Center	Medical Center	1.2 miles
7	Wal-Mart	Retail	1.0 miles
8	Ed Young Senior Citizens	Senior Center	10.3 miles
N/Ap	N/Av	Public Transportation	N/Ap

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Savannah, GA MSA are areas of growth or contraction. The Savannah, GA MSA encompasses Bryan, Effingham, and Effingham counties. The MSA is defined as the Secondary Market Area (SMA) in this report.

The boundaries of the PMA are as follows:

North – Screven-Effingham county line  
 South- Interstates 16 and 95  
 East- Georgia-South Carolina border  
 West- Effingham-Bulloch county line

The PMA encompasses Effingham County and Pooler, northwest of Interstate 95 and north of Interstate 16. Rincon is a growing area as residents from the Savannah area move outward towards the suburbs that offer more room for growth including Garden City, Pooler, and Rincon to the northwest. The Subject's PMA extends farther northwest than to the south as Highway 21 provides direct access to these more rural areas. The farthest PMA boundary from the Subject site is 23.7 miles and the closest boundary is 4.6 miles. Highway 21 also travels southeast from Rincon, providing the area with convenient access to Garden City and Savannah. Property managers at Veranda Village in Rincon and Sheppard Station in Pooler indicated that residents are moving farther out and into Effingham County because of new retail and economic development in these areas. The property manager at Sheppard Station reported that seniors in particular opt to live farther from the city for a more quiet, suburban living. Several of the tenants at Veranda Village and Sheppard Station are from outside the local area as they have moved back to be closer to their adult children. Due to the reported leakage at the senior LIHTC comparables, we have estimated that 15 percent of tenants will come from outside the PMA.

## **E. COMMUNITY DEMOGRAPHIC DATA**

## COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Savannah, GA MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

### 1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within population in MSA, the PMA and nationally from 2000 through 2014.

#### POPULATION

Year	PMA		Savannah, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	33,295	-	258,060	-	248,709,873	-
2000	45,984	3.8%	293,000	1.4%	281,421,906	1.3%
2009	67,330	5.0%	342,999	1.8%	309,731,508	1.1%
Prj Mrkt Entry June 2012	74,300	3.5%	358,738	1.6%	318,091,361	0.9%
2014	79,278	3.5%	369,980	1.6%	324,062,684	0.9%

Source: ESRI Demographics 2009; Novogradac & Company LLP, June 2010

#### SENIOR POPULATION, 55+

Year	PMA		Savannah, GA MSA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	7,676	-	59,353	-
2009	13,491	8.2%	80,061	3.8%
Prj Mrkt Entry June 2012	15,968	6.3%	88,278	3.5%
2014	17,738	6.3%	94,147	3.5%

Source: ESRI Demographics 2009; Novogradac & Company LLP, June 2010

#### POPULATION BY AGE IN 2009

Age Cohort	PMA		Savannah, GA MSA		USA	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
0-4	5,122	7.6%	23,845	7.0%	21,181,266	6.8%
5-9	5,047	7.5%	23,197	6.8%	20,712,631	6.7%
10-14	4,978	7.4%	22,786	6.6%	20,573,534	6.6%
15-19	4,646	6.9%	24,506	7.1%	22,032,155	7.1%
20-24	3,788	5.6%	25,182	7.3%	21,435,060	6.9%
25-29	4,735	7.0%	25,463	7.4%	21,430,451	6.9%
30-34	4,884	7.3%	23,237	6.8%	19,638,502	6.3%
35-39	5,196	7.7%	23,374	6.8%	20,871,431	6.7%
40-44	5,114	7.6%	23,090	6.7%	21,613,152	7.0%
45-49	5,462	8.1%	24,773	7.2%	23,379,099	7.5%
50-54	4,869	7.2%	23,485	6.8%	21,971,669	7.1%
55-59	4,105	6.1%	20,696	6.0%	19,430,413	6.3%
60-64	3,216	4.8%	17,439	5.1%	15,842,266	5.1%
65-69	2,209	3.3%	12,724	3.7%	11,565,200	3.7%
70-74	1,520	2.3%	9,537	2.8%	8,860,255	2.9%
75-79	1,074	1.6%	7,724	2.3%	7,378,104	2.4%
80-84	739	1.1%	6,094	1.8%	5,936,584	1.9%
85+	628	0.9%	5,847	1.7%	5,879,736	1.9%
<b>Total</b>	<b>67,330</b>	<b>100.0%</b>	<b>342,999</b>	<b>100.0%</b>	<b>309,731,508</b>	<b>100.0%</b>

Source: ESRI Demographics 2009; Novogradac & Company LLP, June 2010

## Number of Elderly and Non-Elderly - PMA

Year	Total Population	PMA		MSA		
		Non-Elderly	Elderly (65+)	Total Population	Non-Elderly	Elderly (65+)
1990	33,296	30,533	2,763	258,060	227,254	30,806
2000	45,984	42,143	3,841	293,000	258,511	34,489
2009	67,332	61,162	6,170	342,999	301,073	41,926
Prj Mrkt Entry						
June 2012	74,302	66,931	7,371	358,738	312,054	46,684
2014	79,281	71,052	8,229	369,980	319,898	50,082

Source: ESRI Demographics 2009; Novogradac &amp; Company LLP, June 2010

Total population in the PMA is projected to grow at rate almost four times the national rate, and over twice the rate of the Savannah MSA between 2009 and 2014. Similarly, the senior population, for persons 55 and above, is growing at a rate twice that of the Savannah MSA between 2009 and 2014, which bodes very well for the Subject. The percentage of persons above the age of 65 is projected to increase from 9 to 10 percent between 2009 and 2014.

## 2. Household Trends

## 2a. Total Number of Households, Average Household Size

## HOUSEHOLDS

Year	PMA		Savannah, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	11,438	-	94,940	-	91,947,410	-
2000	16,228	4.2%	111,105	1.7%	105,480,101	1.5%
2009	24,245	5.3%	130,851	1.9%	116,523,156	1.1%
Prj Mrkt Entry						
June 2012	26,898	3.8%	137,308	1.7%	119,781,826	1.0%
2014	28,793	3.8%	141,920	1.7%	122,109,448	1.0%

Source: ESRI Demographics 2009; Novogradac &amp; Company LLP, June 2010

## HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 55+

Year	PMA		Savannah, GA MSA	
	Number	Annual Change	Number	Annual Change
2000	4,919	-	37,891	-
2009	7,555	5.8%	45,999	2.3%
Prj Mrkt Entry				
June 2012	9,038	6.7%	50,420	3.3%
2014	10,097	6.7%	53,578	3.3%

Source: ESRI Demographics 2009; Novogradac &amp; Company LLP, June 2010

## AVERAGE HOUSEHOLD SIZE

Year	PMA		Savannah, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	2.87	-	2.64	-	2.63	-
2000	2.79	-0.3%	2.56	-0.3%	2.59	-0.2%
2009	2.73	-0.2%	2.53	-0.1%	2.59	0.0%
Prj Mrkt Entry						
June 2012	2.72	-0.1%	2.52	-0.1%	2.59	0.0%
2014	2.71	-0.1%	2.52	-0.1%	2.59	0.0%

Source: ESRI Demographics 2009; Novogradac &amp; Company LLP, June 2010

Similar to population trends, the total number of households in the PMA is projected to grow at a rate almost four times the nation, and over twice the rate of the Savannah MSA. The growth rate for households with a senior householder is strong, but not quite as strong as in the Savannah



MSA. The average household size is projected to remain relatively constant for all areas of analysis.

## 2B. HOUSEHOLDS BY TENURE

The table below depicts household growth by tenure from 1990 through 2014.

**TENURE PATTERNS PMA (AGES 55+)**

Year	Owner-Occupied Units	Percentage Owner- Occupied	Renter-Occupied Units	Percentage Renter- Occupied
1990	-	-	-	-
2000	4,268	86.78%	650	13.22%
2009	6,455	85.57%	1,088	14.43%
Prj Mrkt Entry				
June 2012	7,728	85.60%	1,300	14.40%
2014	8,638	85.62%	1,451	14.38%

Source: ESRI Demographics 2009; Novogradac & Company LLP, June 2010

The percentage of seniors in the PMA who reside in renter occupied units was above 14 percent in 2009. This rate is on par with the nation, considering the national average for seniors residing in renter-occupied units is 13 percent. The percentage of senior renters is projected to remain stable over the next five years.

## 2c. Households by Income

The following table depicts total household income in 2009 for the PMA and the MSA.

**HOUSEHOLD INCOME OF SENIORS 55+ IN 2009**

Income Cohort	PMA		Savannah, GA MSA	
	Number	Percentage	Number	Percentage
\$0-9,999	884	11.7%	5,668	12.3%
\$10,000-19,999	1,050	13.9%	6,792	14.8%
\$20,000-29,999	1,148	15.2%	6,252	13.6%
\$30,000-39,999	816	10.8%	4,822	10.5%
\$40,000-49,999	771	10.2%	3,913	8.5%
\$50,000-59,999	559	7.4%	3,463	7.5%
\$60,000-74,999	657	8.7%	4,420	9.6%
\$75,000-99,999	1,058	14.0%	5,740	12.5%
\$100,000+	612	8.1%	4,929	10.7%
<b>Total</b>	<b>7,555</b>	<b>100.0%</b>	<b>45,999</b>	<b>100.0%</b>

Source: Ribbon Demographics 2007; Novogradac & Company LLP, June 2010

The previous table illustrates household income of owner-occupied and renter-occupied senior households in 2009. The Subject will target households earning incomes between \$15,600 and \$28,320. In 2009, approximately 29.1 percent of households earn between \$10,000 and \$29,999 in the PMA. Persons in these income cohorts are expected to create demand for the Subject. There is a larger percentage in these income cohorts in the PMA compared to the MSA, which bodes well for the Subject.

## 2d. Renter Households by Number of Persons in the Household

The following table illustrates the number of persons per household among renter households.

Renter Households by Number of Persons - PMA (Ages 55+)								
	2000		2009		Prj Mrkt Entry June 2012		2014	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	308	47.3%	585	53.8%	716	55.1%	809	55.8%
With 2 Persons	256	39.3%	370	34.0%	425	32.7%	464	32.0%
With 3 Persons	46	7.1%	59	5.5%	71	5.4%	79	5.4%
With 4 Persons	7	1.1%	11	1.1%	12	0.9%	12	0.8%
With 5+ Persons	34	5.2%	62	5.7%	76	5.9%	87	6.0%
Total Renter Households	650	100.0%	1,088	100.0%	1,300	100.0%	1,451	100.0%

Source: Ribbon Demographics 2007; Novogradac & Company LLP, June 2010

One and two person households will generate demand for the Subject's one and two bedroom units. In 2009, approximately 88 percent of senior households, with persons above the age of 55, resided in one or two person households. This bodes well for the Subject's one- and two-bedroom units.

## 2e and f. Elderly and HFOP

Per DCA's guidelines, elderly households populations will be based on households who are 62 years and older and HFOP populations will be based on households who are 55 years or older according to the census.

## CONCLUSION

Overall, there is a very strong population and household growth in the PMA, among the total population and the senior population. The senior population, for persons 55 and above, is growing at a 6.3 percent annual rate, twice that of the Savannah MSA between 2009 and 2014. Similarly, the projected 6.7 percent annual growth in the number of households during the same period is also very strong, more than two times the rate expected in the Savannah MSA. The tenure pattern in the PMA is on par with the nation, with 14 percent of seniors residing in renter-occupied housing units, compared to the national rate of 13 percent. The Subject will target households earning incomes between \$15,600 and \$28,320. In 2009, approximately 29.1 percent of households earn between \$10,000 and \$29,999 in the PMA. Persons in these income cohorts are expected to create demand for the Subject. Another strong trend for the Subject is the household composition. Among seniors 55 and above, approximately 88 percent in 2009 resided in one or two person households. This data is strong for the Subject's one and two bedroom units.

## **F. EMPLOYMENT TRENDS**

## Employment Trends

The Subject is located in Rincon, Effingham County, GA, in the Savannah Georgia MSA. The Savannah MSA is comprised of Bryan, Chatham, and Effingham Counties and is the fourth largest metropolitan area in the state of Georgia. Savannah is located approximately 20 miles inland from the Atlantic Ocean and immediately south of South Carolina in the southeastern part of the state. The Subject is located 17.5 miles outside of downtown Savannah. Savannah's location on the coast provides for both a thriving tourism industry as well the fourth largest port in the United States. According to a publication on gaports.com dated July 22, 2008, the Port of Savannah is the fastest growing port in the United States. The Savannah Harbor Expansion Project will further expand the port enabling the port to accommodate larger shipping vessels. Construction on the project is scheduled to begin in 2009 and be completed by 2013. In addition to the port, both the Norfolk Southern Railroad and CSK Transportation have terminals in Savannah providing the city with both port and rail capabilities. Savannah also has excellent access to major interstates, Interstate 95 in particular which runs south to Miami, Florida and north to the Maine-Canada border.

Overall, the Savannah MSA economy appears well diversified and has historically experienced consistent employment growth and low unemployment levels until 2008 and 2009. The following employment and unemployment discussion will demonstrate that the local economy has been at least moderately impacted by the current recession. The Subject will offer age-restricted units to seniors 55 years and older who are typically less affected by the economy as they are generally do not require employment.

### 1. Total Jobs

The following table illustrates the total jobs (also known as "covered employment") in Effingham County.

TOTAL JOBS IN EFFINGHAM COUNTY		
Year	Total Employment	% Change
2001	7,016	-
2002	7,252	3.36%
2003	7,609	4.92%
2004	7,959	4.60%
2005	8,403	5.58%
2006	8,846	5.27%
2007	9,598	8.50%
2008	9,788	1.98%
2009*	9,265	-5.34%
12/1/2008	10,155	-
12/1/2009*	9,094	-10.45%

Source: U.S. Bureau of Labor Statistics, 07/2010.

\*2009 data is preliminary

Total employment in Effingham County increased significantly between 2005 and 2008, but declined in 2009. Between December 2008 and December 2009, total employment had declined over ten percent. As illustrated in the following tables, the largest industries in the PMA are manufacturing, retail trade, and construction. All three of these industries have been negatively impacted by the nation-wide economic recession. It should be noted that differences between

total jobs and total jobs by industry is due to the Bureau of Labor Statistics not releasing some government data by industry in 2009.

## 2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within the County as 2009.

### 2009 TOTAL JOBS BY INDUSTRY Effingham County, GA

Industry	<u>PMA</u>	
	Number Employed	Percent Employed
Other (Unclassified)*	298	3.5%
Leisure-Hospitality	657	7.6%
Education-Health	2,478	28.8%
Professional-Business	657	7.6%
Financial Activities	265	3.1%
Information	30	0.3%
Retail-Trade-Trans-Utilities*	1,964	22.8%
Manufacturing	1,633	19.0%
Construction	494	5.7%
Goods Producing-Natural	97	1.1%
Public Administration*	41	0.5%
<b>Total Employment</b>	<b>8,614</b>	<b>100.0%</b>

Source: U.S. Bureau of Labor Statistics

\*Partial data; Does not include some government sector data

The previous table illustrates the total jobs by industry offered within the county. The largest sectors in Effingham County, according to the Bureau of Labor Statistics, are in the education-health industry, followed by the retail, trade, transportation, utilities industries. The retail and tourism industries are historically unstable sectors, and have suffered from the nation-wide recession. It should be noted that differences between total jobs and total jobs by industry is due to the Bureau of Labor Statistics not releasing some government data by industry in 2009.

The following table illustrates the percent employment by industry of residents residing within the PMA.

## 2009 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	4,088	12.8%	13,133,247	9.6%
Retail Trade	4,025	12.6%	15,556,730	11.4%
Construction	3,750	11.8%	9,397,965	6.9%
Health Care/Social Assistance	3,457	10.8%	18,626,199	13.6%
Educational Services	3,289	10.3%	13,964,919	10.2%
Transportation/Warehousing	2,265	7.1%	5,642,080	4.1%
Other Services (excl Publ Adm)	2,044	6.4%	6,741,735	4.9%
Public Administration	1,857	5.8%	6,937,191	5.1%
Accommodation/Food Services	1,797	5.6%	9,074,374	6.6%
Finance/Insurance	1,020	3.2%	7,029,908	5.1%
Prof/Scientific/Tech Services	996	3.1%	8,589,168	6.3%
Admin/Support/Waste Mgmt Svcs	833	2.6%	4,835,591	3.5%
Wholesale Trade	785	2.5%	4,427,582	3.2%
Real Estate/Rental/Leasing	413	1.3%	2,904,074	2.1%
Utilities	320	1.0%	1,123,532	0.8%
Agric/Forestry/Fishing/Hunting	319	1.0%	1,826,578	1.3%
Information	314	1.0%	3,259,257	2.4%
Arts/Entertainment/Recreation	284	0.9%	2,645,225	1.9%
Mining	40	0.1%	683,158	0.5%
Mgmt of Companies/Enterprises	2	0.0%	203,879	0.1%
<b>Total Employment</b>	<b>31,898</b>	<b>100.0%</b>	<b>136,602,392</b>	<b>100.0%</b>

Source: ESRI Demographics 2009; Novogradac & Company LLP, June 2010

The previous table reflects the workforce for the PMA. As illustrated, the largest industries in the PMA are manufacturing, retail trade, and construction. These three industries are particularly susceptible during recessions as households cut back on spending. Manufacturing, construction, and transportation/warehousing are overrepresented in the PMA when compared to the nation. Industries which are underrepresented include healthcare and finance/insurance. The subject will offer age-restricted units; seniors are generally less affected by the economy as they are typically on a fixed income and do not require employment.

### 3. Major Employers

The diversification of the Savannah economic base is indicated by the following list of the Savannah area's ten largest employers and Effingham County's top five employers.

#### SAVANNAH MSA MAJOR EMPLOYERS

#	Name	Industry	Number of Employees
1	Memorial University Medical Center	Healthcare	5,351
2	Gulfstream Aerospace Corporation	Manufacturing	5,000
3	Savannah-Chatham County Board of Education	Education	4,781
4	St. Joseph's/Candler Hospital	Healthcare	3,300
5	Fort Stewart/Hunter Army Airfield	Military	3,200
6	City of Savannah	Government	2,500
7	Wal-Mart	Retail	2,182
8	Savannah College of Art & Design	Education	1,457
9	Momentum Resources II, Inc.	Employment services	1,438
10	Chatham County Government	Government	1,356

Source: Savannah Area Chamber of Commerce, 06/2010.

**MAJOR EMPLOYERS IN EFFINGHAM COUNTY**

Company Name	Industry
Effingham County Hospital Authority	Healthcare
Georgia Pacific Consumer Products	Manufacturing
Network Logistic Solutions Inc.	Technology
Wal-mart	Retail

Source: Effingham County Chamber of Commerce, 07/2010.

As illustrated, seven of the top ten employers in the Savannah economy are in relatively stable industries: healthcare, education and government. The major employers represent an array of industries and accounts for less than 20 percent of the MSA's employment, which indicates that the local economy may have a certain level of stability due to its moderate diversity. However, as the employment by industry table indicates, accommodation/food services is the largest industry in the PMA and therefore renders the local economy particularly susceptible during the current recession. It is important to note that BRAC 2005 did not have any affect on Fort Stewart/Hunter Army Airfield. As illustrated in the layoff/closure table, one of the major employers, Gulfstream, laid off approximately 300 jobs in 2009.

The four major employers represent a wide distribution of industries, which bodes well for the stability of the local economy. Ms. Fran Miller with the Effingham County Chamber of Commerce could not estimate the number of employees in each of these companies. Again, we do not expect the Subject's future residents to require employment.

*Expansions/Contractions***SAVANNAH LAYOFFS/CLOSURES 2009-2010**

Company Name	City	County	Effective Date	Number of Jobs Affected
TRONOX	Savannah	Chatham	2/27/2009	212
CONVERGYS	Savannah	Chatham	4/3/2009	60
GULFSTREAM	Savannah	Chatham	5/4/2009	300
ROGERS-PREMIER ENTERPRISES,LLC	Savannah	Chatham	5/20/2009	100
DECRANE AEROSPACE PRECISION PATTERNS	Savannah	Chatham	3/8/2010	90
<b>TOTAL</b>				<b>762</b>

Source: Georgia Department of Labor, 06/2010.

**SAVANNAH JOB ANNOUNCEMENTS 2009**

Company Name	Industry	Date of Announcement	Number of Jobs
DIRTT Environmental Solutions	Manufacturing	Jan-09	60
Kerry Ingredients & Flavours	Manufacturing	Feb-09	13
Wallenius Wilhelmsen Lines	Professional/Scientific/Tech Services	Feb-09	35
Mitsubishi Power Systems America	Manufacturing	Sep-09	100
Cap Barbell	Manufacturing	Oct-09	30
Continental Field Systems	Manufacturing	Nov-09	N/A
Mitsui-Soko	Distribution	Nov-09	20
Meddin Studios	Arts and Entertainment	Nov-09	10
G-Force Technologies	Technology	Nov-09	55
Blue Force Gear	Manufacturing	Dec-09	24
<b>TOTAL</b>			<b>347</b>

Source: Savannah Chamber of Commerce, 06/2010.

As illustrated in the above table, Savannah, Chatham County lost 762 jobs between 2009 and 2010 to date. According to the Savannah Chamber of Commerce, Savannah attracted at least 347 new jobs in 2009. If these expansions are completed, the above companies will bring an additional 882 jobs to Savannah.

Ms. Fran Miller with the Effingham County Chamber of Commerce reported that there were no major layoffs in the county and no layoffs were reported to the Georgia Department of Labor between 2008 and 2010 in Effingham County. This implies that the decrease in employment was due to a large number of small layoffs.

According to the building and zoning coordinator of the Effingham County Planning and Zoning department, Tia Westmoreland, indicated that a Verizon building has been proposed approximately 2.1 miles from the Subject. Plans have not yet been submitted, but if this building is constructed, it would certainly add jobs to the community.

#### 4. Employment and Unemployment Trends

The following table details employment and unemployment trends for Effingham County from 1999 to 2010 (through April).

##### EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Total Employment	Savannah, GA MSA		USA	
		% Change	Unemployment Rate	Change	Unemployment Rate
1999	131,452	-	3.9%	-	4.2%
2000	137,955	4.9%	3.4%	-0.5%	4.0%
2001	139,002	0.8%	3.4%	0.0%	4.7%
2002	143,053	2.9%	4.0%	0.6%	5.8%
2003	144,751	1.2%	4.1%	0.1%	6.0%
2004	153,284	5.9%	4.1%	0.0%	5.5%
2005	159,349	4.0%	4.3%	0.2%	5.1%
2006	165,089	3.6%	3.9%	-0.4%	4.6%
2007	171,147	3.7%	3.9%	0.0%	4.6%
2008	169,482	-1.0%	5.5%	1.6%	5.8%
2009	162,058	-4.4%	8.2%	2.7%	9.3%
2010 YTD Average*	159,881	-1.3%	8.9%	0.7%	10.2%
Apr-2009	163,993	-	7.4%	-	8.6%
Apr-2010	161,239	-1.7%	8.3%	0.9%	9.5%

Source: U.S. Bureau of Labor Statistics

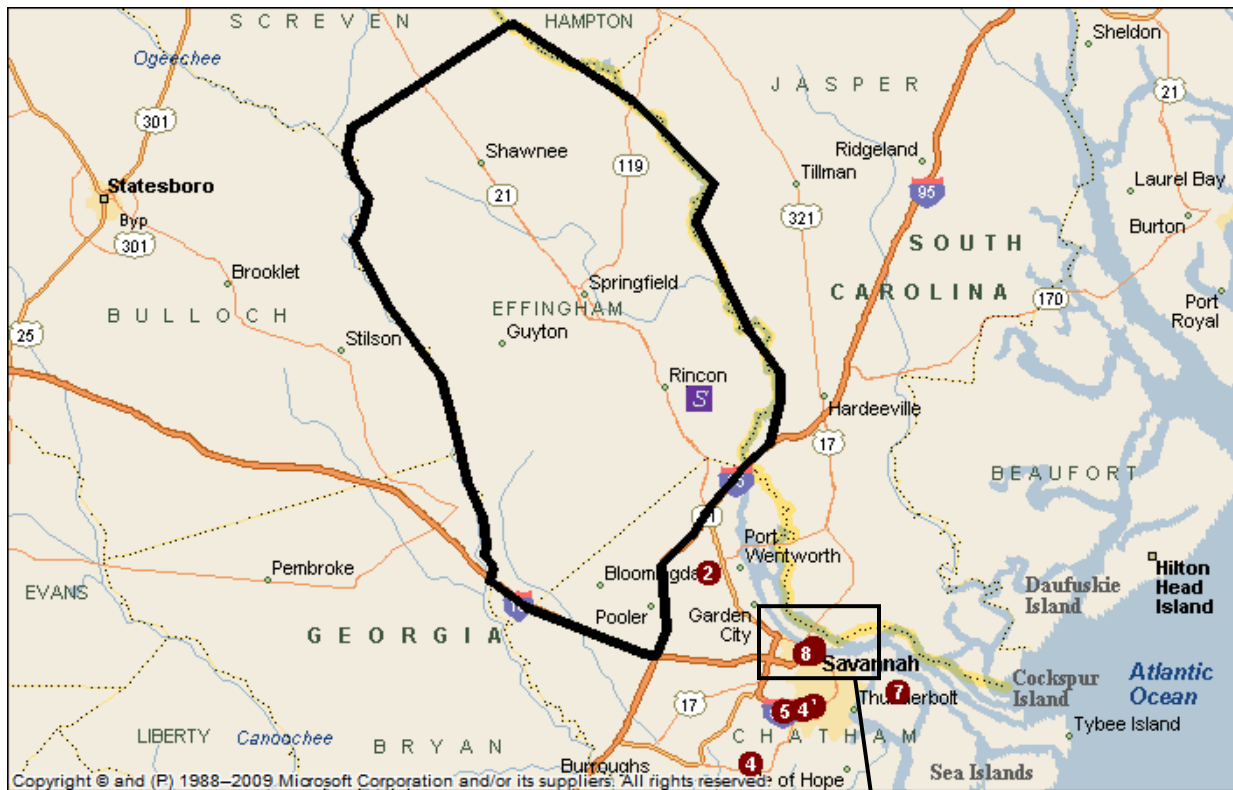
\*2010 data is through Apr

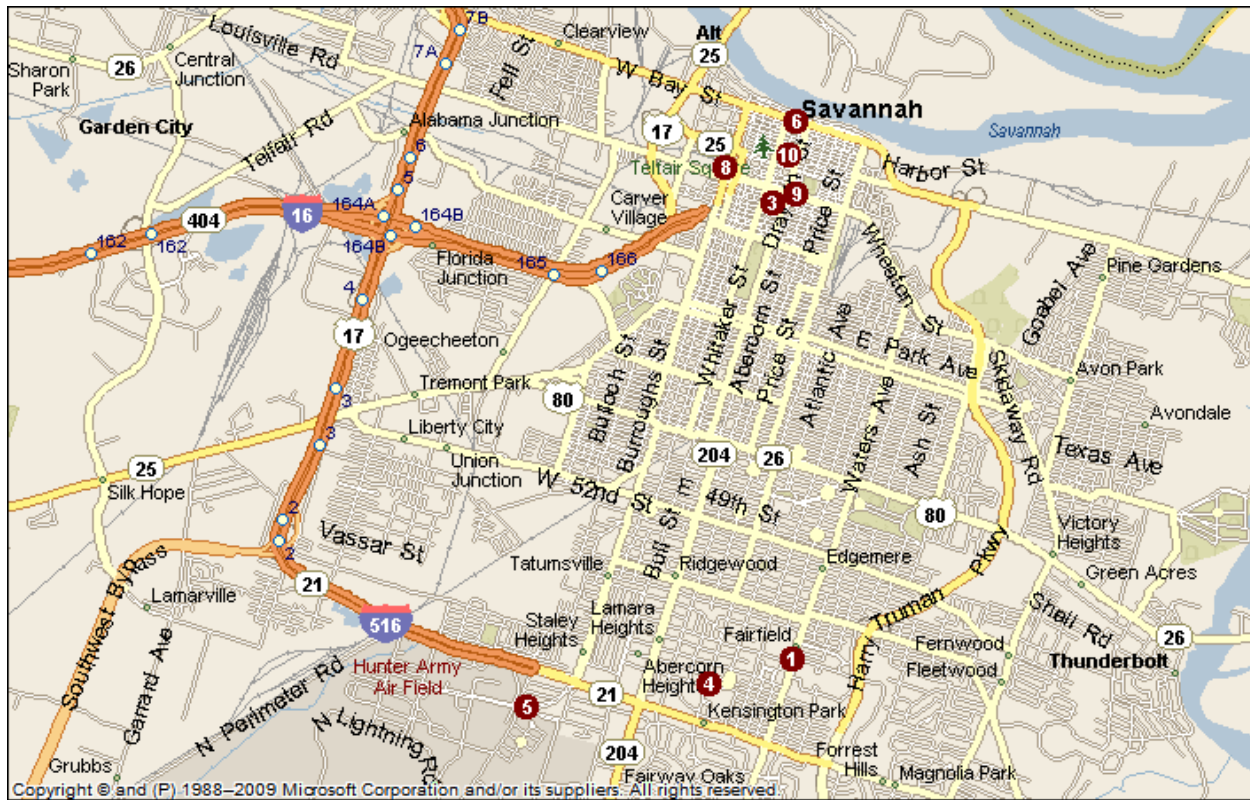
The Savannah MSA experienced strong employment growth from 2004 to 2007. As a result of the housing crisis and subsequent recession, annual total employment growth slowed in 2008 through 2010 (to date). Between April 2009 and April 2010, total employment decreased approximately 1.7 percentage points, while the nation decreased 0.9 percent during the same period. Similarly, the year-over-year comparison of unemployment rates in the Savannah MSA indicates an increase of just under one percentage point. The Savannah unemployment rate remains under the national unemployment rate at 8.3 percent in April 2010, compared to 9.5 percent in April 2010 for the nation. As of April 2010, the unemployment rate in Effingham County was 8.1 percent, according to the Bureau of Labor Statistics. This is lower than Savannah, Georgia, and the nation, but again, we do not expect the county's unemployment to affect the Subject as the Subject will offer age-restricted units to tenants who typically do not require employment.



## 5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in the Savannah MSA and Effingham County, GA.

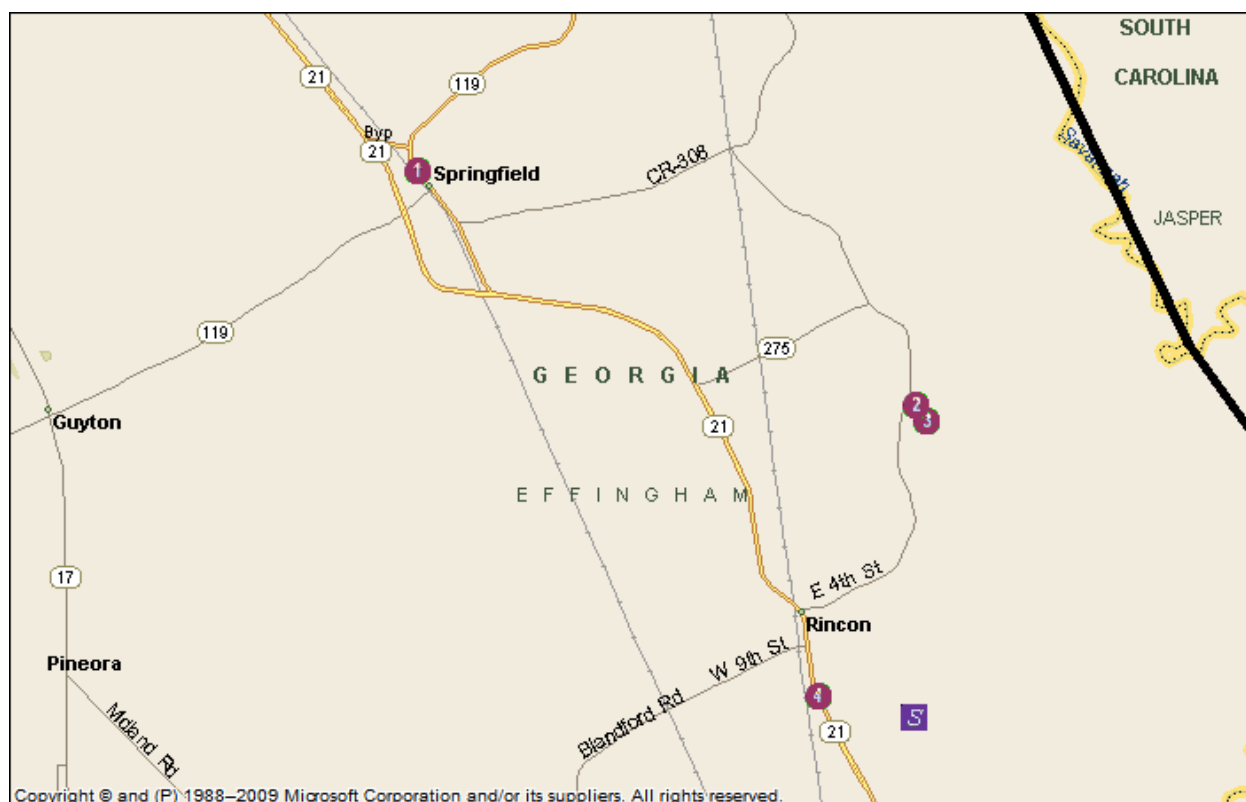




### SAVANNAH MSA MAJOR EMPLOYERS

#	Name	Industry	Number of Employees
1	Memorial University Medical Center	Healthcare	5,351
2	Gulfstream Aerospace Corporation	Manufacturing	5,000
3	Savannah-Chatham County Board of Education	Education	4,781
4	St. Joseph's/Candler Hospital	Healthcare	3,300
5	Fort Stewart/Hunter Army Airfield	Military	3,200
6	City of Savannah	Government	2,500
7	Wal-Mart	Retail	2,182
8	Savannah College of Art & Design	Education	1,457
9	Momentum Resources II, Inc.	Employment services	1,438
10	Chatham County Government	Government	1,356

Source: Savannah Area Chamber of Commerce, 06/2010.



### MAJOR EMPLOYERS IN EFFINGHAM COUNTY

Map #	Company Name	Industry
1	Effingham County Hospital Authority	Healthcare
2	Georgia Pacific Consumer Products	Manufacturing
3	Network Logistic Solutions Inc.	Technology
4	Wal-mart	Retail

Source: Effingham County Chamber of Commerce, 07/2010.

### Conclusion

Total employment in Effingham County increased significantly between 2005 and 2008, but also declined significantly in 2009. Between December 2008 and December 2009, total employment had declined over ten percent. The largest industries in the PMA are manufacturing, retail trade, and construction. These three industries are particularly susceptible during recessions.

Ms. Fran Miller with the Effingham County Chamber of Commerce reported that there were no major layoffs in the county and no layoffs were reported to the Georgia Department of Labor between 2008 and 2010 in Effingham County. This implies that the decrease in employment was due to companies closing and/or a large number of small layoffs.

The Savannah MSA experienced strong employment growth from 2004 to 2007. As a result of the housing crisis and subsequent recession, annual total employment growth slowed in 2008 through 2010 (to date). Between April 2009 and April 2010, total employment decreased approximately 1.7 percentage points, while the nation decreased 0.9 percent during the same period. Similarly, the year-over-year comparison of unemployment rates in the Savannah MSA indicates an increase of just under one percentage point. The Savannah unemployment rate

remains under the national unemployment rate at 8.3 percent in April 2010, compared to 9.5 percent in April 2010 for the nation. As of April 2010, the unemployment rate in Effingham County was 8.1 percent, according to the Bureau of Labor Statistics. This is lower than Savannah, Georgia, and the nation. According to the building and zoning coordinator of the Effingham County Planning and Zoning department, Tia Westmoreland, indicated that a Verizon building has been proposed approximately 2.1 miles from the Subject. Plans have not yet been submitted, but if this building is constructed, it would certainly add jobs to the community.

The Subject will offer two bedroom age-restricted units. Seniors are generally less affected by the local economic downturn as they typically do not require employment. As other senior properties near the Subject have maintained high occupancy, we do not expect the Subject to be negatively affected by the recession.

# **PROJECT-SPECIFIC DEMAND ANALYSIS**

The following demand analysis evaluates the potential amount of qualified households, which the Subject would have a fair chance at capturing. The structure of the analysis is based on the guidelines provided by DCA.

### **1. INCOME RESTRICTIONS**

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a senior household will pay is 40 percent of its household income at the appropriate AMI level.

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom). However, very few senior households have more than two persons. Therefore, we have used a maximum household size of two persons in our analysis.

To assess the likely number of tenants in the market area eligible to live in the Subject, we use Census information as provided by ESRI Information Systems, to estimate the number of potential tenants who would qualify to occupy the Subject as a LIHTC project.

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website.

### **2. AFFORDABILITY**

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for seniors. We will use these guidelines to set the minimum income levels for the demand analysis.

### **3. DEMAND**

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated in tables throughout this section (see page 48).

#### **3A. DEMAND FROM NEW HOUSEHOLDS**

The number of new households entering the market is the first level of demand calculated. We have utilized 2012, the anticipated date of market entry, as the base year for the analysis. Therefore, 2009 household population estimates are inflated to 2012 by interpolation of the difference between 2009 estimates and 2014 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the tables in this section this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2012. This number takes the overall growth from 2000 to 2012

and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

### **3B. DEMAND FROM EXISTING HOUSEHOLDS**

Demand for existing households is estimated by summing three sources of potential tenants. The first source (**3B1.**) is tenants who are rent overburdened. These are households who are paying over 35 percent for family households and 40 percent for senior households of their income in housing costs. This data is interpolated using CHAS data based on appropriate income levels.

The second source (**3B2.**) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (**3B3.**) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. According to the property manager at Sheppard Station, several tenants are previous homeowners, particularly as the property offers unrestricted units. Therefore, we have used a maximum of 20 percent for homeownership conversion in the demand analysis.

In general, we will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject.

### **3C. SECONDARY MARKET AREA**

Rincon is a growing area as residents from the Savannah area move outward towards the suburbs that offer more room for growth including Garden City, Pooler, and Rincon to the northwest and Richmond Hill to the south. The Subject's PMA extends farther northwest as Highway 21 provides direct access to these more rural areas. The farthest PMA boundary from the Subject site is 23.7 miles and the closest boundary is 4.6 miles. Highway 21 also travels southeast from Rincon, providing the area with convenient access to Garden City and Savannah. Property managers at Veranda Village in Rincon and Sheppard Station in Pooler indicated that residents are moving farther out and into Effingham County because of new retail and economic development in these areas. Seniors in particular opt to live farther from the city for a more quiet, suburban living. Several of the tenants at Veranda Village and Sheppard Station are from outside the local area as they have moved back to be closer to their adult children. Due to the reported leakage at the senior LIHTC comparables, we have estimated that 15 percent of tenants will come from outside the PMA. To accommodate for the secondary market area, the Demand from Existing Qualified Households within the primary market area will be multiplied by 115 percent.

### **3D. OTHER**

DCA does not consider household turnover to be a source of market demand.

## **4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS**

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed from 2000 to the present.

**ADDITIONS TO SUPPLY**

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we deduct additions to supply allocated since 2000 to present and those that will be constructed through 2012. Veranda Village and Sheppard Station were allocated in 2003 and 2007, respectively, and are located in the PMA. Veranda Village is a family LIHTC property located in Rincon that offers 96 units. Sheppard Station is a senior LIHTC property in Pooler and offers 65 units. Both properties are included as comparables in this report and competitive units from both properties have been deducted from the demand analysis.

**PMA OCCUPANCY**

Per DCA's guidelines, we have determined the average occupancy rate based on all available competitive conventional and LIHTC properties in the PMA. We have provided a combined average occupancy level for the PMA based on the total competitive units in the PMA.

**PMA OCCUPANCY**

Name	City	Type	Tenancy	Occupancy*	Distance	Included/ Excluded	Reason for Exclusion
Sheppard Station	Pooler	50,60, MKT	Elderly	100%	13.3 miles	Included	N/Ap
Veranda Village	Rincon	30,50,60, MKT	Family	98%	1.2 miles	Included	N/Ap
Fair Oaks Lane Apts	Rincon	RD	Family	N/Av	1.3 miles	Excluded	Rent structure not comparable
Pine Manor Apartment	Rincon	RD	Family	N/Av	2.4 miles	Excluded	Rent structure not comparable
Willowpeg Lane	Rincon	RD	Family	N/Av	1.6 miles	Excluded	Rent structure not comparable
Willowpeg Village	Rincon	RD	Elderly	100%	1.6 miles	Excluded	Rent structure not comparable
Spring Hollow Apartments	Springfield	RD	Family	N/Av	9.9 miles	Excluded	Rent structure not comparable
The Georgian	Rincon	Market	Family	80%	1.4 miles	Included	N/Ap
The Springs at Effingham**	Rincon	Market	Family	70%	0.9 miles	Included	N/Ap
Rice Creek**	Port Wentworth	Market	Family	84%	2.1 miles	Included	N/Ap
<b>AVERAGE</b>				<b>80%</b>			
<b>AVERAGE (Stabilized)</b>				<b>91%</b>			

\*Occupancy within the past 12 months

\*\*Stabilizing

The average occupancy among properties in the PMA that could provide occupancy information is 80 percent. This occupancy rate is skewed downward by the performance of the two market rate properties that are currently stabilizing. The LIHTC properties have an average occupancy rate of 98.6 percent, which indicates that LIHTC occupancy in the market is healthy.

**NET SUPPLY**

The following Competitive Analysis chart may be used to determine the Net Supply number of each bedroom and income category when considering the deduction of properties in the net supply in cases where, for instance, the property is on the edge of the PMA, is a market rate property, or otherwise only partially fulfills the need for units that will be filled by the proposed subject. All properties determined to be competitive with the proposed development will be included in the Competitive Analysis and assigned a Comparability Factor to be used in determining Net Supply in the PMA.



The total Comparability Factor will be applied to each bedroom type for all income segments to determine the number of units to be allocated to the existing property. Total market supply will be comprised of the weighted units supply from the comparable existing properties and all units new to the market area since 2000.

With regards to affordability, we believe the following percent differentials are warranted.

<b>Rent Differential</b>	<b>Adjustment Applied</b>
0-5%	1.00
6-10%	0.75
11-15%	0.50
16-20%	0.25
20%+	0.00

<b>Competitive Property Analysis</b>			
Sheppard Station - Comparable 1		Percent	Comments
1	Location	0.75	Slightly inferior location
2	Affordability	1.00	Similar rents
3	Property Type	0.75	Lowrise design
4	Quality	1.00	Similar condition
	Comparability Factor	0.563	

<b>Competitive Property Analysis</b>			
Veranda Village - Comparable 2		Percent	Comments
1	Location	1.00	Similar location
2	Affordability	0.75	Less affordable
3	Property Type	0.50	Targets families; 50% seniors
4	Quality	0.75	Slightly inferior condition
	Comparability Factor	0.281	

### Competitive Property Analysis

Property Name	Total Number of Units*	Comparability Factor	Units to be Deducted from Demand
Sheppard Station	65	0.563	37
Veranda Village	62	0.281	17
<b>Total</b>			<b>54</b>

\*Total number of comparable units by bedroom type and AMI level

Additions To Supply (Cumulative)/Existing Units	50%	60%	Overall
One Bedroom	20	5	25
Two Bedroom	24	5	29
<b>Total</b>	<b>44</b>	<b>11</b>	<b>54</b>

The remaining comparables offer rents that are 20 percent higher or more than the Subject's proposed rents. These properties are located within the PMA and offer a similar product type and unit mix; therefore they were included as comparables as they are indicative of the overall performance of the rental market. Veranda at Midtown is not located within the PMA but is indicative of achievable senior unrestricted rents in the market. However, it should be noted that these properties will not compete for tenants given the rental rate disparity.

### Rehab Developments and PBRA

Not applicable.

The following tables illustrate the renter household income distribution for the PMA.

# Silverwood Place, Rincon, GA; Market Study

Renter Household Income Distribution 2000 to Projected Market Entry June 2012							
Rincon Senior							
PMA							
	2000		2009		Pj Mkt Entry June 2012		Percent
	#	%	#	%	#	%	Growth
\$0-9,999	164	25.2%	242	22.3%	284	21.8%	14.6%
\$10,000-19,999	192	29.6%	264	24.3%	308	23.7%	14.4%
\$20,000-29,999	107	16.5%	216	19.9%	258	19.8%	16.2%
\$30,000-39,999	117	17.9%	176	16.2%	209	16.1%	15.9%
\$40,000-49,999	26	3.9%	74	6.8%	88	6.8%	15.4%
\$50,000-59,999	8	1.3%	15	1.4%	12	0.9%	-28.0%
\$60,000-74,999	15	2.3%	28	2.6%	37	2.9%	23.9%
\$75,000-99,999	12	1.9%	46	4.2%	69	5.3%	33.6%
\$100,000+	10	1.5%	26	2.4%	35	2.7%	23.4%
Total	650	100.0%	1,088	100.0%	1,300	100.0%	16.3%

Renter Household Income Distribution Projected Market Entry June 2012			
Rincon Senior			
PMA			
	Pj Mkt Entry June 2012		Change 2000 to Pj Mkt Entry June 2012
	#	%	#
\$0-9,999	284	21.8%	142
\$10,000-19,999	308	23.7%	154
\$20,000-29,999	258	19.8%	129
\$30,000-39,999	209	16.1%	105
\$40,000-49,999	88	6.8%	44
\$50,000-59,999	12	0.9%	6
\$60,000-74,999	37	2.9%	19
\$75,000-99,999	69	5.3%	34
\$100,000+	35	2.7%	17
Total	1,300	100.0%	650

Tenure Pj Mkt Entry June 2012	
Renter	14.4%
Owner	85.6%
Total	100.0%

Renter Household Size for Pj Mkt Entry June 2012		
Size	Number	Percentage
1	716	55.1%
2	425	32.7%
3	71	5.4%
4	12	0.9%
5+	76	5.9%
Total	1,300	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1	695	24.2%
2	776	27.0%
3	540	18.8%
4	534	18.6%
5+	330	11.5%
Total	2,874	100.0%

## 50% AMI

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			50%		
Minimum Income Limit			\$15,600		
Maximum Income Limit			\$23,600		
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mkt Entry June 2012		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	142	21.8%		0.0%	0
\$10,000-19,999	154	23.7%	4,399	44.0%	68
\$20,000-29,999	129	19.8%	3,600	36.0%	46
\$30,000-39,999	105	16.1%		0.0%	0
\$40,000-49,999	44	6.8%		0.0%	0
\$50,000-59,999	6	0.9%		0.0%	0
\$60,000-74,999	19	2.9%		0.0%	0
\$75,000-99,999	34	5.3%		0.0%	0
\$100,000+	17	2.7%		0.0%	0
	650	100.0%			114
Percent of renter households within limits versus total number of renter households			17.58%		

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			50%		
Minimum Income Limit			\$15,600		
Maximum Income Limit			\$23,600		
Income Category	Total Renter Households PMA Prj Mkt Entry June 2012		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	284	21.8%	0	0.0%	0
\$10,000-19,999	308	23.7%	4,399	44.0%	136
\$20,000-29,999	258	19.8%	3,600	36.0%	93
\$30,000-39,999	209	16.1%	0	0.0%	0
\$40,000-49,999	88	6.8%	0	0.0%	0
\$50,000-59,999	12	0.9%	0	0.0%	0
\$60,000-74,999	37	2.9%	0	0.0%	0
\$75,000-99,999	69	5.3%	0	0.0%	0
\$100,000+	35	2.7%	0	0.0%	0
	1,300	100.0%			229
Percent of renter households within limits versus total number of renter households			17.58%		

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mkt Entry June 2012 Median Income

Change from 2000 to Prj Mkt Entry June 2012

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2000 to Prj Mrkt Entry June 2012

Income Target Population	50%
New Renter Households PMA	650
Percent Income Qualified	17.6%
New Renter Income Qualified Households	114

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	1,300
Income Qualified	17.6%
Income Qualified Renter Households	229
Percent Rent Overburdened Prj Mrkt Entry June 2012	22.0%
Rent Overburdened Households	50

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households	229
Percent Living in Substandard Housing	0.8%
Households Living in Substandard Housing	2

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	3771
Rural Versus Urban	1.1%
Senior Demand Converting from Homeownership	41

Total Demand

Total Demand from Existing Households	94
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%
Adjusted Demand from Existing Households	108
Total New Demand	114
Total Demand (New Plus Existing Households)	222

Demand from Seniors Who Convert from Homeownership	41
Percent of Total Demand From Homeownership Conversion	18.7%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	55.1%	122
Two Persons	32.7%	73
Three Persons	5.4%	12
Four Persons	0.9%	2
Five Persons	5.9%	13
Total	100.0%	222

## To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	98
Of two-person households in 1BR units	10%	7
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	20%	24
Of two-person households in 2BR units	90%	65
Of three-person households in 2BR units	60%	7
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	5
Of four-person households in 3BR units	80%	2
Of five-person households in 3BR units	70%	9
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	0
Of five-person households in 4BR units	30%	4
Total Demand		222
Check		OK

Total Demand by Bedroom	50%
1 BR	105
2 BR	97
Total Demand	202

Additions To Supply 2000 to Prj Mrkt Entry June 2012	50%
1 BR	20
2 BR	24
Total	44

Net Demand	50%
1 BR	85
2 BR	73
Total	158

Developer's Unit Mix	50%
1 BR	3
2 BR	5
Total	8

Capture Rate Analysis	50%
1 BR	3.5%
2 BR	6.8%
Total	5.1%

## 60% AMI

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			60%		
Minimum Income Limit			\$15,900		
Maximum Income Limit			\$28,320		
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mrkt Entry June 2012		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	142	21.8%		0.0%	0
\$10,000-19,999	154	23.7%	4,099	41.0%	63
\$20,000-29,999	129	19.8%	8,320	83.2%	107
\$30,000-39,999	105	16.1%		0.0%	0
\$40,000-49,999	44	6.8%		0.0%	0
\$50,000-59,999	6	0.9%		0.0%	0
\$60,000-74,999	19	2.9%		0.0%	0
\$75,000-99,999	34	5.3%		0.0%	0
\$100,000+	17	2.7%		0.0%	0
	650	100.0%			170
Percent of renter households within limits versus total number of renter households			26.24%		

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			60%		
Minimum Income Limit			\$15,900		
Maximum Income Limit			\$28,320		
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2012		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	284	21.8%	0	0.0%	0
\$10,000-19,999	308	23.7%	4,099	41.0%	126
\$20,000-29,999	258	19.8%	8,320	83.2%	215
\$30,000-39,999	209	16.1%	0	0.0%	0
\$40,000-49,999	88	6.8%	0	0.0%	0
\$50,000-59,999	12	0.9%	0	0.0%	0
\$60,000-74,999	37	2.9%	0	0.0%	0
\$75,000-99,999	69	5.3%	0	0.0%	0
\$100,000+	35	2.7%	0	0.0%	0
	1,300	100.0%			341
Percent of renter households within limits versus total number of renter households			26.24%		

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mrkt Entry June 2012 Median Income

Change from 2000 to Prj Mrkt Entry June 2012

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No							
Senior							
Urban							
40%							
\$46,382							
\$59,243							
\$12,861							
27.7%							
4.6%							
4.6%	Two year adjustment			1.0000			
\$28,320							
\$28,320							
\$2							
60%							
\$530							
\$530.00							
Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2000 to Prj Mrkt Entry June 2012

Income Target Population	60%
New Renter Households PMA	650
Percent Income Qualified	26.2%
New Renter Income Qualified Households	170

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	1,300
Income Qualified	26.2%
Income Qualified Renter Households	341
Percent Rent Overburdened Prj Mrkt Entry June 2012	22.0%
Rent Overburdened Households	75

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households	341
Percent Living in Substandard Housing	0.8%
Households Living in Substandard Housing	3

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	3771
Rural Versus Urban	1.8%
Senior Demand Converting from Homeownership	66

Total Demand

Total Demand from Existing Households	144
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%
Adjusted Demand from Existing Households	165
Total New Demand	170
Total Demand (New Plus Existing Households)	336

Demand from Seniors Who Convert from Homeownership	66
Percent of Total Demand From Homeownership Conversion	19.6%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	55.1%	185
Two Persons	32.7%	110
Three Persons	5.4%	18
Four Persons	0.9%	3
Five Persons	5.9%	20
Total	100.0%	336



## To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	148
Of two-person households in 1BR units	10%	11
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	20%	37
Of two-person households in 2BR units	90%	99
Of three-person households in 2BR units	60%	11
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	7
Of four-person households in 3BR units	80%	2
Of five-person households in 3BR units	70%	14
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	1
Of five-person households in 4BR units	30%	6
Total Demand		336
Check		OK

Total Demand by Bedroom	60%
1 BR	159
2 BR	147
Total Demand	306

Additions To Supply 2000 to Prj Mrkt Entry June 2012	60%
1 BR	5
2 BR	5
Total	10

Net Demand	60%
1 BR	154
2 BR	142
Total	296

Developer's Unit Mix	60%
1 BR	15
2 BR	25
Total	40

Capture Rate Analysis	60%
1 BR	9.7%
2 BR	17.6%
Total	13.5%

## Overall

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Overall		
Minimum Income Limit			\$15,600		
Maximum Income Limit			\$28,320		
Income Category	New Renter Households - Total Change in Households PMA 2000 to Proj Mkt Entry June 2012		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	142	21.8%		0.0%	0
\$10,000-19,999	154	23.7%	4,399	44.0%	68
\$20,000-29,999	129	19.8%	8,320	83.2%	107
\$30,000-39,999	105	16.1%		0.0%	0
\$40,000-49,999	44	6.8%		0.0%	0
\$50,000-59,999	6	0.9%		0.0%	0
\$60,000-74,999	19	2.9%		0.0%	0
\$75,000-99,999	34	5.3%		0.0%	0
\$100,000+	17	2.7%		0.0%	0
	650	100.0%			175
Percent of renter households within limits versus total number of renter households					26.95%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Overall		
Minimum Income Limit			\$15,600		
Maximum Income Limit			\$28,320		
Income Category	Total Renter Households PMA Proj Mkt Entry June 2012		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	284	21.8%	0	0.0%	0
\$10,000-19,999	308	23.7%	4,399	44.0%	136
\$20,000-29,999	258	19.8%	8,320	83.2%	215
\$30,000-39,999	209	16.1%	0	0.0%	0
\$40,000-49,999	88	6.8%	0	0.0%	0
\$50,000-59,999	12	0.9%	0	0.0%	0
\$60,000-74,999	37	2.9%	0	0.0%	0
\$75,000-99,999	69	5.3%	0	0.0%	0
\$100,000+	35	2.7%	0	0.0%	0
	1,300	100.0%			350
Percent of renter households within limits versus total number of renter households					26.95%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Proj Mkt Entry June 2012 Median Income

Change from 2000 to Proj Mkt Entry June 2012

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No							
Senior							
Urban							
40%							
\$46,382							
\$59,243							
\$12,861							
27.7%							
4.6%							
4.6%	Two year adjustment			1.0000			
\$28,320							
\$28,320							
\$2							
Overall							
\$520							
\$520.00							
Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2000 to Prj Mrkt Entry June 2012

Income Target Population	Overall
New Renter Households PMA	650
Percent Income Qualified	27.0%
New Renter Income Qualified Households	175

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	1,300
Income Qualified	27.0%
Income Qualified Renter Households	350
Percent Rent Overburdened Prj Mrkt Entry June 2012	22.0%
Rent Overburdened Households	77

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households	350
Percent Living in Substandard Housing	0.8%
Households Living in Substandard Housing	3

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	3771
Rural Versus Urban	1.8%
Senior Demand Converting from Homeownership	69

Total Demand

Total Demand from Existing Households	149
Adjustment Factor - Leakage from SMA (use 115% for DCA)	115%
Adjusted Demand from Existing Households	171
Total New Demand	175
Total Demand (New Plus Existing Households)	346

Demand from Seniors Who Convert from Homeownership

69

Percent of Total Demand From Homeownership Conversion

19.9%

Is this Demand Over 20 percent of Total Demand?

No

By Bedroom Demand

One Person	55.1%	191
Two Persons	32.7%	113
Three Persons	5.4%	19
Four Persons	0.9%	3
Five Persons	5.9%	20
Total	100.0%	346

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	152
Of two-person households in 1BR units	10%	11
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	20%	38
Of two-person households in 2BR units	90%	102
Of three-person households in 2BR units	60%	11
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	8
Of four-person households in 3BR units	80%	2
Of five-person households in 3BR units	70%	14
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	1
Of five-person households in 4BR units	30%	6
Total Demand		346
Check		OK

Total Demand by Bedroom	Overall
1 BR	164
2 BR	151
Total Demand	315

Additions To Supply 2000 to Prj Mrkt Entry June 2012	Overall
1 BR	25
2 BR	29
Total	54

Net Demand	Overall
1 BR	138
2 BR	123
Total	261

Developer's Unit Mix	Overall
1 BR	18
2 BR	30
Total	48

Capture Rate Analysis	Overall
1 BR	13.0%
2 BR	24.5%
Total	18.4%

### Capture Rates

The following table summarizes the capture rates at the Subject.

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent*	Market Rents Band Min-Max	Proposed Rents
1BR @ 50%	\$15,600 - \$23,600	3	105	20	85	3.5%	4 - 6 months	\$480	\$415 - \$825	\$390
2BR @ 50%	\$18,480 - \$23,600	5	97	24	73	6.8%	4 - 6 months	\$516	\$450 - \$1,040	\$450
1BR @ 60%	\$15,900 - \$28,320	15	159	5	154	9.7%	4 - 6 months	\$480	\$415 - \$825	\$400
2BR @ 60%	\$18,480 - \$28,320	25	147	5	142	17.6%	4 - 6 months	\$516	\$450 - \$1,040	\$450
<b>Overall</b>		<b>48</b>	<b>315</b>	<b>54</b>	<b>261</b>	<b>18.4%</b>				

\*Only includes surveyed average rents of LIHTC and/or senior comparables

**Demand and Net Demand**

	HH at 50% AMI (min to max income)	HH at 60% AMI (min to max income)	All Tax Credit Households
Demand from New Households (age and income appropriate)	114	170	175
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Substandard Housing	2	3	3
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	50	75	77
<b>PLUS</b>	+	+	+
<b>Secondary Market Demand adjustment IF ANY Subject to 15% Limitation</b>	<b>14</b>	<b>22</b>	<b>22</b>
<b>Sub Total</b>	<b>180</b>	<b>270</b>	<b>277</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	41	66	69
<b>Equals Total Demand</b>	<b>222</b>	<b>336</b>	<b>346</b>
<b>Less</b>	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market between 2000 and the present	44	10	54
<b>Equals Net Demand</b>	<b>178</b>	<b>326</b>	<b>292</b>

**Conclusions**

We have conducted such an analysis to determine a base of demand for the Subject as a tax credit property. As the demand analysis demonstrates, there is ample demand for the Subject as proposed.

## **H. COMPETITIVE RENTAL ANALYSIS**

**Survey of Comparable Projects**

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes six “true” comparable properties containing 1,037 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered limited. We have included two LIHTC properties that located within the PMA. Veranda Village is a family LIHTC property located in Rincon and approximately 50 percent of its tenants are seniors. Sheppard Station is a new senior LIHTC property located in Pooler, approximately 13.3 miles from the Subject site. The availability of comparable market rate data is limited. The PMA includes several luxury market rate properties that are comparable to the Subject in age/condition but not in amenities; and, there are several older market rate properties that are inferior to the Subject in age/condition. We have included the closest market rate comparables including The Georgian, which is an older unrestricted property that is located within 1.4 miles of the Subject site, and two new market rate comparables within 2.1 miles of the Subject site: Rice Creek and The Springs at Effingham. Both are currently experiencing prolonged absorption periods and are 70 and 84 percent occupied, respectively. The Springs at Effingham is located across Highway 21 from the Subject and therefore is located in the Subject’s immediate neighborhood. While the rents at these properties are significantly higher than those proposed for the Subject, these properties demonstrate the current new construction multifamily market in Rincon. In addition to these comparables, Sheppard Station and Veranda Village offer unrestricted units. We have also included Veranda at Midtown, which is located in Savannah, as it offers unrestricted units that target seniors. The unrestricted units at these comparables are more indicative of achievable senior unrestricted rents in the market.



**General Market Overview/Included/Excluded Properties**

The following table illustrates properties that are within the PMA or a similar market areas. The table highlights vacancy. Some of these properties have been included as “true comparables.”

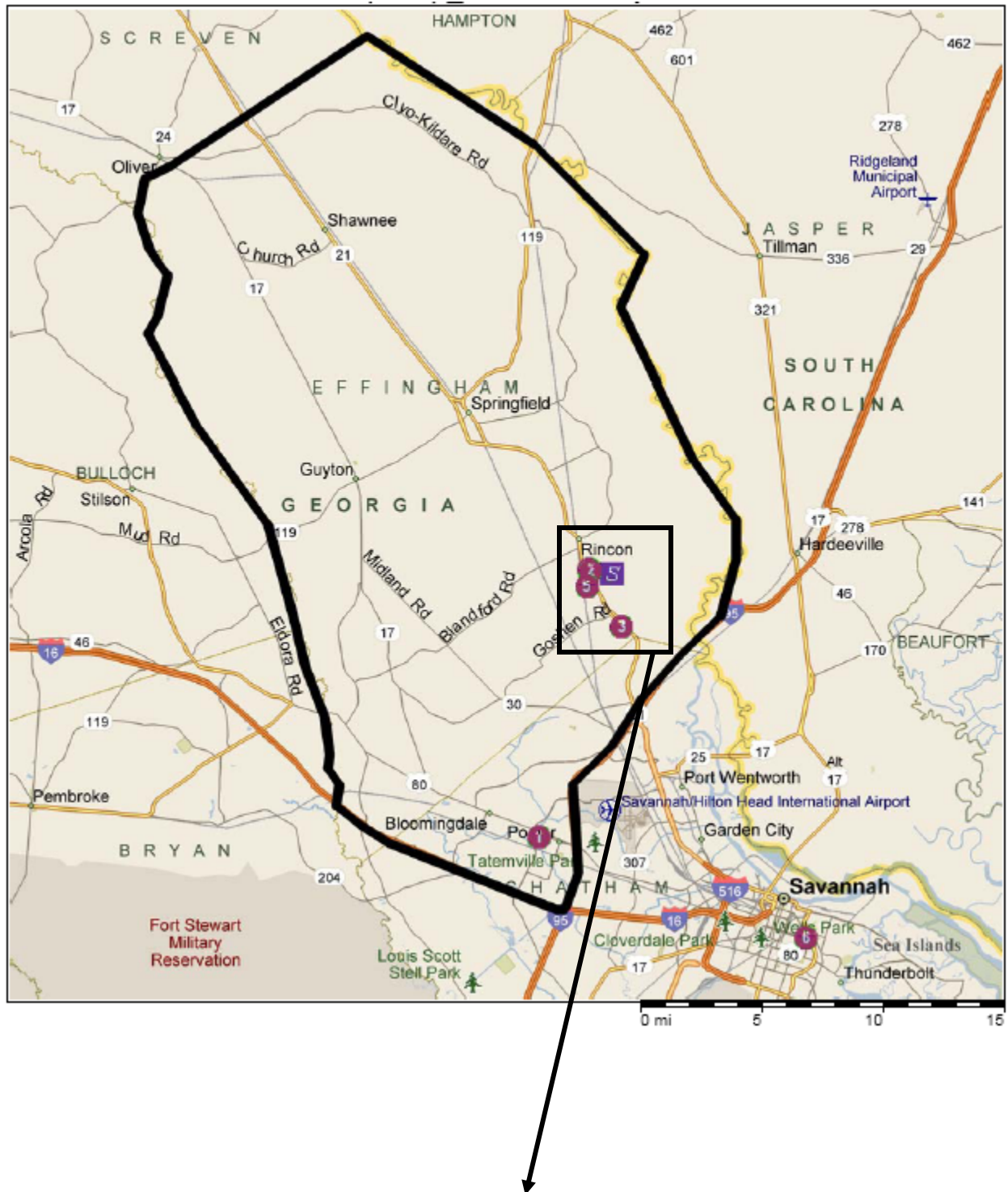
**GENERAL MARKET OVERVIEW**

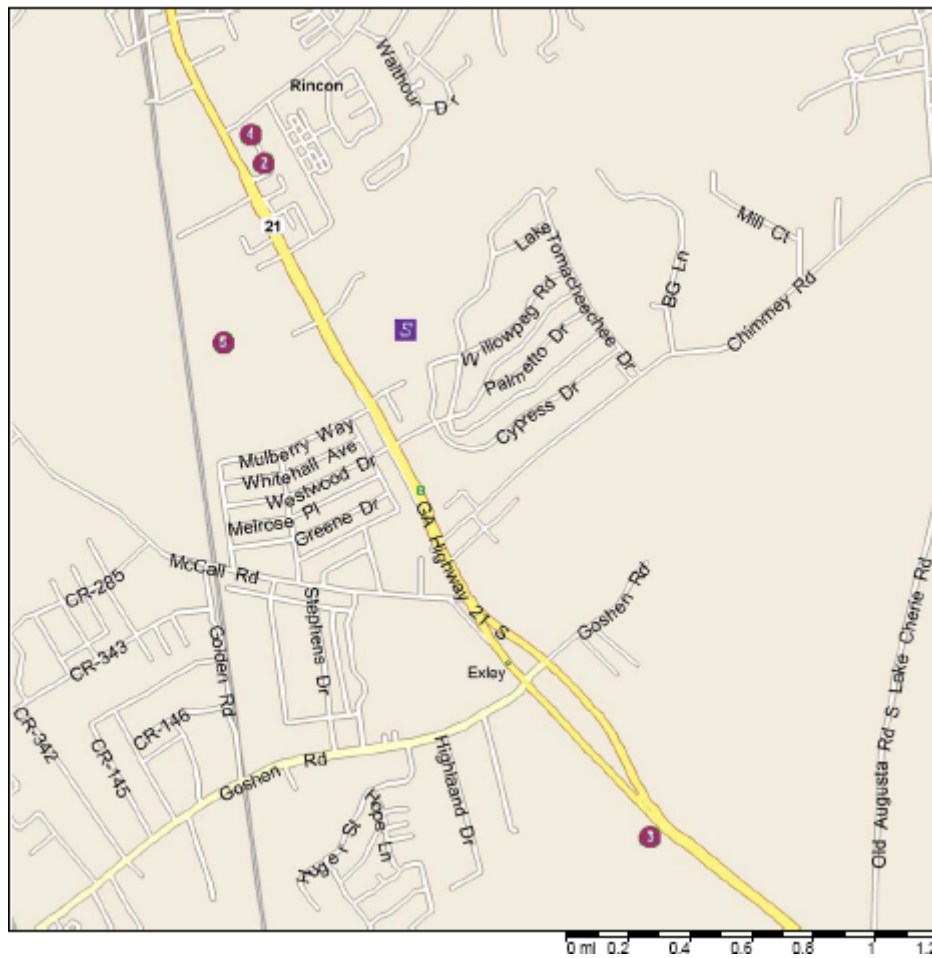
Name	City	Type	Tenancy	Occupancy*	Distance	Included/ Excluded	Reason for Exclusion
Sheppard Station	Pooler	50,60, MKT	Elderly	100%	13.3 miles	Included	N/Ap
Veranda Village	Rincon	30,50,60, MKT	Family	98%	1.2 miles	Included	N/Ap
Fair Oaks Lane Apts	Rincon	RD	Family	N/Av	1.3 miles	Excluded	Rent structure not comparable
Pine Manor Apartment	Rincon	RD	Family	N/Av	2.4 miles	Excluded	Rent structure not comparable
Willowpeg Lane	Rincon	RD	Family	N/Av	1.6 miles	Excluded	Rent structure not comparable
Willowpeg Village	Rincon	RD	Elderly	100%	1.6 miles	Excluded	Rent structure not comparable
Spring Hollow Apartments	Springfield	RD	Family	N/Av	9.9 miles	Excluded	Rent structure not comparable
The Georgian	Rincon	Market	Family	80%	1.4 miles	Included	N/Ap
The Springs at Effingham**	Rincon	Market	Family	70%	0.9 miles	Included	N/Ap
Rice Creek**	Port Wentworth	Market	Family	84%	2.1 miles	Included	N/Ap

\*Occupancy within the past 12 months

\*\*Stablizing

Comparable Rental Property Map





### COMPARABLE PROPERTIES

#	Property Name	City	Tenancy	Type	Distance
1	Sheppard Station	Pooler	Senior	50%, 60%, Market	13.3 miles
2	Veranda Village	Rincon	Family	30%, 50%, 60%, Market	1.2 miles
3	Rice Creek	Port Wentworth	Family	Market	2.1 miles
4	The Georgian	Rincon	Family	Market	1.4 miles
5	The Springs At Effingham	Rincon	Family	Market	0.9 miles
6	Veranda At Midtown	Savannah	Senior	Market	20.2 miles

1. The following tables illustrate detailed information in a comparable framework for the Subject and the comparable properties.

**SUMMARY MATRIX**

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Silverwood Place	n/a	One-story (age-restricted) 2012	@50%, @60%	1BR / 1BA	3	6.20%	@50%	\$390	750	no		N/A	N/A
	5633 Hwy 21 S				1BR / 1BA	15	31.20%	@60%	\$400	N/A	no		N/A	N/A
	Rincon, GA 31326				2BR / 2BA	5	10.40%	@50%	\$450	955	no		N/A	N/A
	Effingham County				2BR / 2BA	25	52.10%	@60%	\$450	955	no		N/A	N/A
						48	100%						N/A	N/A
1	Sheppard Station	13.3 miles	Lowrise (age-restricted) 2009	@50%, @60%, Market	1BR / 1BA	25	38.50%	@50%	\$415	815	no	150+ HHs	0	0.00%
	215 Brighton Woods Dr				1BR / 1BA	1	1.50%	@60%	\$415	815	no	150+ HHs	0	0.00%
	Pooler, GA 31322				1BR / 1BA	7	10.80%	Market	\$475	815	no	150+ HHs	0	0.00%
	Chatham County				2BR / 1BA	24	36.90%	@50%	\$450	1,000	no	150+ HHs	0	0.00%
					2BR / 1BA	2	3.10%	@60%	\$450	1,000	no	150+ HHs	0	0.00%
					2BR / 1BA	6	9.20%	Market	\$525	1,000	no	150+ HHs	0	0.00%
						65	100%						0	0.00%
2	Veranda Village	1.2 miles	Garden (2 stories) 2005	@30%, @50%, @60%, Market	1BR / 1BA	4	4.20%	@30%	\$238	783	yes	3 yrs	0	0.00%
	501 Lisa St				1BR / 1BA	22	22.90%	@50%	\$450	783	yes	3-6 mos	1	4.50%
	Rincon, GA 31326				1BR / 1BA	2	2.10%	@60%	\$470	783	no	1 yr	0	0.00%
	Effingham County				1BR / 1BA	4	4.20%	Market	\$495	783	n/a	6-12 mos	0	0.00%
					2BR / 2BA	5	5.20%	@30%	\$278	1,025	yes	3 yrs	0	0.00%
					2BR / 2BA	36	37.50%	@50%	\$530	1,025	yes	3-6 mos	1	2.80%
					2BR / 2BA	2	2.10%	@60%	\$530	1,025	no	1 yr	0	0.00%
					2BR / 2BA	5	5.20%	Market	\$610	1,025	n/a	6-12 mos	0	0.00%
					3BR / 2BA	1	1.00%	@30%	\$310	1,180	yes	3 yrs	0	0.00%
					3BR / 2BA	12	12.50%	@50%	\$590	1,180	yes	3-6 mos	0	0.00%
					3BR / 2BA	2	2.10%	@60%	\$610	1,180	no	1 yr	0	0.00%
					3BR / 2BA	1	1.00%	Market	\$685	1,180	n/a	6-12 mos	0	0.00%
						96	100%						2	2.10%
3	Rice Creek	2.1 miles	Garden (3 stories) 2009	Market	1BR / 1BA	N/A	N/A	Market	\$825	857	n/a	No	N/A	N/A
	9001 Highway 21				1BR / 1BA	N/A	N/A	Market	\$800	921	n/a	No	N/A	N/A
	Port Wentworth, GA 31407				2BR / 2BA	N/A	N/A	Market	\$819	1,131	n/a	No	N/A	N/A
	Chatham County				2BR / 2BA	N/A	N/A	Market	\$853	1,155	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,000	1,161	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,040	1,186	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,017	1,344	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,054	1,362	n/a	No	N/A	N/A
						240	100%						40	16.70%
4	The Georgian	1.4 miles	Garden (2 stories) 1987/1988 / 1997	Market	Studio / 1BA	4	2.20%	Market	N/A	N/A	n/a	None	0	0.00%
	105 Lisa St				1BR / 1BA	76	41.30%	Market	\$495	750	n/a	None	N/A	N/A
	Rincon, GA 31326				1BR / 1.5BA	12	6.50%	Market	\$546	850	n/a	None	N/A	N/A
	Effingham County				2BR / 1BA	80	43.50%	Market	\$592	950	n/a	None	N/A	N/A
					3BR / 1.5BA	12	6.50%	Market	\$675	1,250	n/a	None	N/A	N/A
						184	100%						37	20.10%
5	The Springs At Effingham	0.9 miles	Garden (2 stories) 2008	Market	Studio / 1BA	N/A	N/A	Market	\$557	380	n/a	No	N/A	N/A
	617 Towne Park West Dr				1BR / 1BA	N/A	N/A	Market	\$667	575	n/a	No	N/A	N/A
	Rincon, GA 31326				1BR / 1BA	N/A	N/A	Market	\$620	741	n/a		N/A	N/A
	Effingham County				2BR / 2BA	N/A	N/A	Market	\$723	957	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$629	1,055	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$736	1,090	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,014	1,361	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,267	1,441	n/a	No	N/A	N/A
						352	100%						106	30.10%
6	Veranda At Midtown	20.2 miles	Midrise (age-restricted) (4 stories) 2005	Market, PBRA	1BR / 1BA	2	2.00%	Market	\$638	659	n/a	Yes	1	50.00%
	1414 East Anderson Street				1BR / 1BA	6	6.00%	Market	\$638	664	n/a	Yes	1	16.70%
	Savannah, GA 31404				1BR / 1BA	3	3.00%	Market	\$638	736	n/a	Yes	0	0.00%
	Chatham County				1BR / 1BA	2	2.00%	PBRA	\$600	654	n/a	Yes	0	0.00%
					1BR / 1BA	7	7.00%	PBRA	\$600	659	n/a	Yes	0	0.00%
					1BR / 1BA	27	27.00%	PBRA	\$600	664	n/a	Yes	0	0.00%
					1BR / 1BA	12	12.00%	PBRA	\$600	673	n/a	Yes	0	0.00%
					1BR / 1BA	5	5.00%	PBRA	\$600	696	n/a	Yes	0	0.00%
					1BR / 1BA	20	20.00%	PBRA	\$600	736	n/a	Yes	0	0.00%
					2BR / 1BA	16	16.00%	PBRA	\$664	918	n/a	Yes	0	0.00%
						100	100%						2	2.00%

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.							
Effective Rent Date:		Jun-10	Units Surveyed:	1037	Weighted Occupancy:	82.00%	
			Market Rate	876	Market Rate	78.90%	
			Tax Credit	161	Tax Credit	98.80%	
One Bedroom One Bath			Two Bedrooms Two Bath				
	Property	Average	Property	Average	Property	Average	
RENT	Rice Creek	\$825	Rice Creek	\$1,040			
	Rice Creek	\$800	Rice Creek	\$1,000			
	The Springs At Effingham	\$667	Rice Creek	\$853			
	Veranda At Midtown	\$638	Rice Creek	\$819			
	Veranda At Midtown	\$638	The Springs At Effingham	\$736			
	Veranda At Midtown	\$638	The Springs At Effingham	\$723			
	The Springs At Effingham	\$620	Veranda At Midtown (1BA)	\$664			
	Veranda At Midtown	\$600/BOI	The Springs At Effingham	\$629			
	Veranda At Midtown	\$600/BOI	Veranda Village * (M)	\$610			
	Veranda At Midtown	\$600/BOI	The Georgian (1BA)	\$592			
	Veranda At Midtown	\$600/BOI	Veranda Village * (50%)	\$530			
	Veranda At Midtown	\$600/BOI	Veranda Village * (60%)	\$530			
	Veranda At Midtown	\$600/BOI	Sheppard Station * (1BA M)	\$525			
	Veranda Village * (M)	\$495	Sheppard Station * (1BA 50%)	\$450			
	The Georgian	\$495	Sheppard Station * (1BA 60%)	\$450			
	Sheppard Station * (M)	\$475	Silverwood Place * (50%)	\$450			
	Veranda Village * (60%)	\$470	Silverwood Place * (60%)	\$450			
	Veranda Village * (50%)	\$450	Veranda Village * (30%)	\$278			
	Sheppard Station * (50%)	\$415					
	Sheppard Station * (60%)	\$415					
	Silverwood Place * (60%)	\$400					
	Silverwood Place * (50%)	\$390					
	Veranda Village * (30%)	\$238					
SQUARE FOOTAGE	Rice Creek	921	Rice Creek	1,186			
	Rice Creek	857	Rice Creek	1,161			
	Sheppard Station * (50%)	815	Rice Creek	1,155			
	Sheppard Station * (60%)	815	Rice Creek	1,131			
	Sheppard Station * (M)	815	The Springs At Effingham	1,090			
	Veranda Village * (30%)	783	The Springs At Effingham	1,055			
	Veranda Village * (50%)	783	Veranda Village * (30%)	1,025			
	Veranda Village * (60%)	783	Veranda Village * (50%)	1,025			
	Veranda Village * (M)	783	Veranda Village * (60%)	1,025			
	Silverwood Place * (50%)	750	Veranda Village * (M)	1,025			
	Silverwood Place * (60%)	750	Sheppard Station * (1BA 50%)	1,000			
	The Georgian	750	Sheppard Station * (1BA 60%)	1,000			
	The Springs At Effingham	741	Sheppard Station * (1BA M)	1,000			
	Veranda At Midtown	736	The Springs At Effingham	957			
	Veranda At Midtown	736	Silverwood Place * (50%)	955			
	Veranda At Midtown	696	Silverwood Place * (60%)	955			
	Veranda At Midtown	673	The Georgian (1BA)	950			
	Veranda At Midtown	664	Veranda At Midtown (1BA)	918			
	Veranda At Midtown	664					
	Veranda At Midtown	659					
Veranda At Midtown	659						
Veranda At Midtown	654						
The Springs At Effingham	575						
RENT PER SQUARE FOOT	The Springs At Effingham	\$1.16	Rice Creek	\$0.88			
	Veranda At Midtown	\$0.97	Rice Creek	\$0.86			
	Rice Creek	\$0.96	The Springs At Effingham	\$0.76			
	Veranda At Midtown	\$0.96	Rice Creek	\$0.74			
	Veranda At Midtown	\$0.92	Rice Creek	\$0.72			
	Veranda At Midtown	\$0.91	Veranda At Midtown (1BA)	\$0.72			
	Veranda At Midtown	\$0.90	The Springs At Effingham	\$0.68			
	Veranda At Midtown	\$0.89	The Georgian (1BA)	\$0.62			
	Rice Creek	\$0.87	The Springs At Effingham	\$0.60			
	Veranda At Midtown	\$0.87	Veranda Village * (M)	\$0.60			
	Veranda At Midtown	\$0.86	Sheppard Station * (1BA M)	\$0.52			
	The Springs At Effingham	\$0.84	Veranda Village * (50%)	\$0.52			
	Veranda At Midtown	\$0.82	Veranda Village * (60%)	\$0.52			
	The Georgian	\$0.66	Silverwood Place * (50%)	\$0.47			
	Veranda Village * (M)	\$0.63	Silverwood Place * (60%)	\$0.47			
	Veranda Village * (60%)	\$0.60	Sheppard Station * (1BA 50%)	\$0.45			
	Sheppard Station * (M)	\$0.58	Sheppard Station * (1BA 60%)	\$0.45			
	Veranda Village * (50%)	\$0.57	Veranda Village * (30%)	\$0.27			
		Silverwood Place * (60%)	\$0.53				
		Silverwood Place * (50%)	\$0.52				
	Sheppard Station * (50%)	\$0.51					
	Sheppard Station * (60%)	\$0.51					
	Veranda Village * (30%)	\$0.30					

# PROPERTY PROFILE REPORT

## Sheppard Station

<b>Effective Rent Date</b>	6/11/2010
<b>Location</b>	215 Brighton Woods Dr Pooler, GA 31322 Chatham County
<b>Distance</b>	13.3 miles
<b>Units</b>	65
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Lowrise (age-restricted)
<b>Year Built/Renovated</b>	2009 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None
<b>Tenant Characteristics</b>	N/A
<b>Contact Name</b>	Monica
<b>Phone</b>	(912) 748-0495



### Market Information

<b>Program</b>	@50%, @60%, Market
<b>Annual Turnover Rate</b>	N/A
<b>Units/Month Absorbed</b>	12
<b>HCV Tenants</b>	3%
<b>Leasing Pace</b>	Prelease
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise	25	815	\$400	\$0	@50%	150+ HHs	0	0.0%	N/A	None
1	1	Lowrise	1	815	\$400	\$0	@60%	150+ HHs	0	0.0%	N/A	None
1	1	Lowrise	7	815	\$460	\$0	Market	150+ HHs	0	0.0%	N/A	None
2	1	Lowrise	24	1,000	\$435	\$0	@50%	150+ HHs	0	0.0%	N/A	None
2	1	Lowrise	2	1,000	\$435	\$0	@60%	150+ HHs	0	0.0%	N/A	None
2	1	Lowrise	6	1,000	\$510	\$0	Market	150+ HHs	0	0.0%	N/A	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$400	\$0	\$400	\$15	\$415	1BR / 1BA	\$400	\$0	\$400	\$15	\$415
2BR / 1BA	\$435	\$0	\$435	\$15	\$450	2BR / 1BA	\$435	\$0	\$435	\$15	\$450
<b>Market</b>	<b>Face Rent</b>	<b>Conc.</b>	<b>Concd. Rent</b>	<b>Util.</b>	<b>Adj. Rent</b>						
1BR / 1BA	\$460	\$0	\$460	\$15	\$475						
2BR / 1BA	\$510	\$0	\$510	\$15	\$525						

## Sheppard Station, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Dishwasher  
Hand Rails  
Pull Cords  
Washer/Dryer

Blinds  
Central A/C  
Exterior Storage  
Oven  
Refrigerator  
Washer/Dryer hookup

#### Security

In-Unit Alarm

#### Services

None

#### Property

Business Center/Computer Lab  
Elevators  
Off-Street Parking  
Picnic Area  
Service Coordination

Clubhouse/Meeting  
Exercise Facility  
On-Site Management  
Recreation Areas

#### Premium

None

#### Other

Horseshoe pit, shuffleboard,

### Comments

Management reported that there is demand for additional senior housing in the area, particularly outside of Savannah. The property manager indicated that there is a trend for seniors to move outside the city in order to find more quiet areas. Management could not report whether tenants can afford higher rents. The property is owned by the Gateway Companies and managed by Ambling Management.



# PROPERTY PROFILE REPORT

## Veranda Village

<b>Effective Rent Date</b>	6/07/2010
<b>Location</b>	501 Lisa St Rincon, GA 31326 Effingham County
<b>Distance</b>	1.2 miles
<b>Units</b>	96
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	2.1%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	2005 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Rice Creek, Georgian, The Springs
<b>Tenant Characteristics</b>	50% seniors; 40% outside of Effingham Co; Tenants from Effingham, Savannah area, Statesboro
<b>Contact Name</b>	Darlene
<b>Phone</b>	(912) 826-6476



### Market Information

<b>Program</b>	@30%, @50%, @60%, Market
<b>Annual Turnover Rate</b>	31%
<b>Units/Month Absorbed</b>	Could not report
<b>HCV Tenants</b>	7%
<b>Leasing Pace</b>	1-2 weeks
<b>Annual Chg. in Rent</b>	Inc. 6% 2009
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	4	783	\$223	\$0	@30%	3 yrs	0	0.0%	N/A	None
1	1	Garden (2 stories)	22	783	\$435	\$0	@50%	3-6 mos	1	4.5%	N/A	None
1	1	Garden (2 stories)	2	783	\$455	\$0	@60%	1 yr	0	0.0%	N/A	None
1	1	Garden (2 stories)	4	783	\$480	\$0	Market	6-12 mos	0	0.0%	N/A	None
2	2	Garden (2 stories)	5	1,025	\$263	\$0	@30%	3 yrs	0	0.0%	N/A	None
2	2	Garden (2 stories)	36	1,025	\$515	\$0	@50%	3-6 mos	1	2.8%	N/A	None
2	2	Garden (2 stories)	2	1,025	\$515	\$0	@60%	1 yr	0	0.0%	N/A	None
2	2	Garden (2 stories)	5	1,025	\$595	\$0	Market	6-12 mos	0	0.0%	N/A	None
3	2	Garden (2 stories)	1	1,180	\$295	\$0	@30%	3 yrs	0	0.0%	N/A	None
3	2	Garden (2 stories)	12	1,180	\$575	\$0	@50%	3-6 mos	0	0.0%	N/A	None
3	2	Garden (2 stories)	2	1,180	\$595	\$0	@60%	1 yr	0	0.0%	N/A	None
3	2	Garden (2 stories)	1	1,180	\$670	\$0	Market	6-12 mos	0	0.0%	N/A	None



## Veranda Village, continued

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$223	\$0	\$223	\$15	\$238	1BR / 1BA	\$435	\$0	\$435	\$15	\$450
2BR / 2BA	\$263	\$0	\$263	\$15	\$278	2BR / 2BA	\$515	\$0	\$515	\$15	\$530
3BR / 2BA	\$295	\$0	\$295	\$15	\$310	3BR / 2BA	\$575	\$0	\$575	\$15	\$590
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$455	\$0	\$455	\$15	\$470	1BR / 1BA	\$480	\$0	\$480	\$15	\$495
2BR / 2BA	\$515	\$0	\$515	\$15	\$530	2BR / 2BA	\$595	\$0	\$595	\$15	\$610
3BR / 2BA	\$595	\$0	\$595	\$15	\$610	3BR / 2BA	\$670	\$0	\$670	\$15	\$685

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Dishwasher  
Garbage Disposal  
Refrigerator  
Washer/Dryer hookup

Blinds  
Central A/C  
Exterior Storage  
Oven  
Walk-In Closet

#### Security

None

#### Services

None

#### Property

Basketball Court  
Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Playground

Business Center/Computer Lab  
Exercise Facility  
Off-Street Parking  
Picnic Area

#### Premium

None

#### Other

Walking trail, gazebo,

### Comments

The property manager reported that the property typically remains 100 percent occupied with a waiting list and that units at 30 and 60 percent AMI are in the highest demand. The contact reported that there would be demand for 100 senior units in the area and that occupancy Veranda Village will not likely be negatively impacted.

# PROPERTY PROFILE REPORT

## Rice Creek

<b>Effective Rent Date</b>	7/09/2010
<b>Location</b>	9001 Highway 21 Port Wentworth, GA 31407 Chatham County
<b>Distance</b>	2.1 miles
<b>Units</b>	240
<b>Vacant Units</b>	40
<b>Vacancy Rate</b>	16.7%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2009 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Springs at Effingham, Village at Rice Hope
<b>Tenant Characteristics</b>	N/A
<b>Contact Name</b>	Leasing agent
<b>Phone</b>	(912) 966-2100



## Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	N/A
<b>Units/Month Absorbed</b>	16
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	1 month
<b>Annual Chg. in Rent</b>	Change daily
<b>Concession</b>	None

## Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	not included

## Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	857	\$810	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	921	\$785	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,131	\$804	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,155	\$838	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,161	\$985	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,186	\$1,025	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,344	\$1,002	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,362	\$1,039	\$0	Market	No	N/A	N/A	N/A	None

## Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>1BR / 1BA</b>	\$785 - \$810	\$0	\$785 - \$810	\$15	\$800 - \$825
<b>2BR / 2BA</b>	\$804 - \$1,025	\$0	\$804 - \$1,025	\$15	\$819 - \$1,040
<b>3BR / 2BA</b>	\$1,002 - \$1,039	\$0	\$1,002 - \$1,039	\$15	\$1,017 - \$1,054

## Rice Creek, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Dishwasher  
Garbage Disposal  
Oven  
Washer/Dryer hookup

Blinds  
Central A/C  
Exterior Storage  
Microwave  
Refrigerator

#### Security

None

#### Services

None

#### Property

Business Center/Computer Lab  
Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Swimming Pool

Car Wash  
Exercise Facility  
Off-Street Parking  
Playground

#### Premium

None

#### Other

Dog park

### Comments

Management reported that the property opened in March 2009 and reached a 93 percent lease rate in May 2010. However, due to turnover, the property is still at 84 percent occupancy. The property is currently 95 percent leased. Select units offer porches, which garners a \$15 premium. Storage units and garages rent for \$35 and \$100, respectively. Select units offer sunrooms. Rents change based upon availability; therefore, management does not offer concessions and larger units may rent for less than smaller units.

# PROPERTY PROFILE REPORT

## The Georgian

<b>Effective Rent Date</b>	7/01/2010
<b>Location</b>	105 Lisa St Rincon, GA 31326 Effingham County
<b>Distance</b>	1.4 miles
<b>Units</b>	184
<b>Vacant Units</b>	37
<b>Vacancy Rate</b>	20.1%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1987/1988 / 1997
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	The Springs at Effingham, Rice Creek, Rice Hope
<b>Tenant Characteristics</b>	Majority from Rincon; Some transfers
<b>Contact Name</b>	Lisa
<b>Phone</b>	(912) 826-2963



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	N/A
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	1 month
<b>Annual Chg. in Rent</b>	Decreased
<b>Concession</b>	1 mo. free on 13-mo. lease

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	4	N/A	N/A	\$0	Market	None	0	0.0%	N/A	None
1	1	Garden (2 stories)	76	750	\$520	\$40	Market	None	N/A	N/A	N/A	None
1	1.5	Garden (2 stories)	12	850	\$575	\$44	Market	None	N/A	N/A	N/A	None
2	1	Garden (2 stories)	80	950	\$625	\$48	Market	None	N/A	N/A	N/A	None
3	1.5	Garden (2 stories)	12	1,250	\$715	\$55	Market	None	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>Studio / 1BA</b>	N/A	\$0	N/A	\$15	N/A
<b>1BR / 1BA</b>	\$520	\$40	\$480	\$15	\$495
<b>1BR / 1.5BA</b>	\$575	\$44	\$531	\$15	\$546
<b>2BR / 1BA</b>	\$625	\$48	\$577	\$15	\$592
<b>3BR / 1.5BA</b>	\$715	\$55	\$660	\$15	\$675

## The Georgian, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Dishwasher  
Garbage Disposal  
Refrigerator

Blinds  
Central A/C  
Exterior Storage  
Oven

#### Security

None

#### Services

None

#### Property

Exercise Facility  
Central Laundry  
On-Site Management  
Tennis Court

Garage  
Off-Street Parking  
Swimming Pool

#### Premium

None

#### Other

None

### Comments

The property manager could not report information on the efficiencies as they never come available. A new management company, Easlan Management, took over the property effective June 1, 2010. The property manager reported that two factors have negatively impacted occupancy at the property: the economy and the property's lack of washer/dryer connections. The contact indicated that layoffs at Gulfstream, JCB North America, and Dane has resulted in moveouts and nonpayments at the property. The property manager has had three evictions due to nonpayment of rent in recent months. Prior to the recession and the ongoing economic downturn, the property reportedly maintained an occupancy rate ranging from 88 to 90 percent, which indicates that the property has historically performed poorly. To increase occupancy, management has been offering the concession since January 2010. Management has not accepted Housing Choice Vouchers since the current owner took over the property in 1997, at which time the roofs and balconies/patios were renovated. Management named The Springs at Effingham, Rice Creek, and Village at Rice Hope as competitors even though The Georgian is significantly inferior in age/condition to these properties. However, they are located in close proximity to The Georgian. The property does have a locational advantage as it is located behind the Wal-Mart Superstore. The property does not offer a clubhouse/community room.

# PROPERTY PROFILE REPORT

## The Springs At Effingham

<b>Effective Rent Date</b>	7/09/2010
<b>Location</b>	617 Towne Park West Dr Rincon, GA 31326 Effingham County
<b>Distance</b>	0.9 miles
<b>Units</b>	352
<b>Vacant Units</b>	106
<b>Vacancy Rate</b>	30.1%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	2008 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Rice Creek, Rice Hope, Preserve, Colonial Grand
<b>Tenant Characteristics</b>	Employees of Gulfstream and EFACEC
<b>Contact Name</b>	Dana, Tara
<b>Phone</b>	(912) 826-1999



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	N/A
<b>Units/Month Absorbed</b>	See comments
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	2-4 weeks
<b>Annual Chg. in Rent</b>	Change daily
<b>Concession</b>	1 mo. free rent

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	N/A	380	\$591	\$49	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	N/A	575	\$711	\$59	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	N/A	741	\$660	\$55	Market	N/A	N/A	N/A	N/A	None
2	2	Garden (2 stories)	N/A	957	\$772	\$64	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	N/A	1,055	\$670	\$56	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	N/A	1,090	\$787	\$66	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,361	\$1,090	\$91	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,441	\$1,366	\$114	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>Studio / 1BA</b>	\$591	\$49	\$542	\$15	\$557
<b>1BR / 1BA</b>	\$660 - \$711	\$55 - \$59	\$605 - \$652	\$15	\$620 - \$667
<b>2BR / 2BA</b>	\$670 - \$787	\$56 - \$66	\$614 - \$721	\$15	\$629 - \$736
<b>3BR / 2BA</b>	\$1,090 - \$1,366	\$91 - \$114	\$999 - \$1,252	\$15	\$1,014 - \$1,267

## The Springs At Effingham, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Dishwasher  
Ceiling Fan  
Microwave  
Refrigerator  
Washer/Dryer hookup

Blinds  
Central A/C  
Exterior Storage  
Garbage Disposal  
Oven  
Walk-In Closet

#### Security

None

#### Services

None

#### Property

Business Center/Computer Lab  
Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Recreation Areas

Car Wash  
Garage  
Off-Street Parking  
Picnic Area  
Swimming Pool

#### Premium

None

#### Other

Media room

### Comments

Management reported that hte property opened in April 2008 and is continuing to stabilize. The stabilization process has been prolonged due to turnover and the large number of units at the property. Select units come with garages. Select units have the option for a garage to be included. The rents listed are those for units without garages when there is an option. In addition to the comparables listed, the property also competes with Colonial Village at Godley Lake and Courtney Station.

# PROPERTY PROFILE REPORT

## Veranda At Midtown

<b>Effective Rent Date</b>	7/09/2010
<b>Location</b>	1414 East Anderson Street Savannah, GA 31404 Chatham County
<b>Distance</b>	20.2 miles
<b>Units</b>	100
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	2.0%
<b>Type</b>	Midrise (age-restricted) (4 stories)
<b>Year Built/Renovated</b>	2005 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Rose of Sharon
<b>Tenant Characteristics</b>	Seniors ages 62+; Average age is 65
<b>Contact Name</b>	Leasing agent
<b>Phone</b>	(912) 236-0683



### Market Information

<b>Program</b>	Market, PBRA
<b>Annual Turnover Rate</b>	12%
<b>Units/Month Absorbed</b>	Could not report
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	30 days
<b>Annual Chg. in Rent</b>	Inc. 4% Jan 2010
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	2	659	\$675	\$0	Market	Yes	1	50.0%	N/A	None
1	1	Midrise (4 stories)	6	664	\$675	\$0	Market	Yes	1	16.7%	N/A	None
1	1	Midrise (4 stories)	3	736	\$675	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	2	654	\$637	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	7	659	\$637	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	27	664	\$637	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	12	673	\$637	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	5	696	\$637	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	20	736	\$637	\$0	PBRA	Yes	0	0.0%	N/A	None
2	1	Midrise (4 stories)	16	918	\$710	\$0	PBRA	Yes	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	PBRA	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>1BR / 1BA</b>	\$675	\$0	\$675	-\$37	\$638	<b>1BR / 1BA</b>	\$637	\$0	\$637	-\$37	\$600
						<b>2BR / 1BA</b>	\$710	\$0	\$710	-\$46	\$664



## Veranda At Midtown, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Dishwasher  
Ceiling Fan  
Hand Rails  
Pull Cords  
Washer/Dryer hookup

Blinds  
Central A/C  
Exterior Storage  
Garbage Disposal  
Oven  
Refrigerator

#### Security

Limited Access

#### Services

None

#### Property

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Picnic Area

Elevators  
Central Laundry  
On-Site Management  
Theatre

#### Premium

None

#### Other

Library

### Comments

Management reported that the unrestricted units are not difficult to lease; the current vacancies are due to regular turnover. The contact indicated that there is demand for additional senior affordable units in the market. The waiting list for the PBRA units is managed by the housing authority and is estimated to be a two to three year wait. Management does accept Housing Choice Vouchers for the 11 units that do not operate with subsidy; however, currently none of the current tenants in those units are using vouchers.

## Veranda At Midtown, continued

### Trend Report

#### Vacancy Rates

<b>4Q08</b>	<b>3Q10</b>
0.0%	2.0%

#### Trend: Market

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	0.0%	\$650	\$0	\$650	\$613
2010	3	18.2%	\$675	\$0	\$675	\$638

#### Trend: PBRA

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	0.0%	\$637	\$0	\$637	\$600
2010	3	0.0%	\$637	\$0	\$637	\$600

##### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	0.0%	\$710	\$0	\$710	\$664
2010	3	0.0%	\$710	\$0	\$710	\$664

#### Trend: Comments

**4Q08** N/A

**3Q10** Management reported that the unrestricted units are not difficult to lease; the current vacancies are due to regular turnover. The contact indicated that there is demand for additional senior affordable units in the market. The waiting list for the PBRA units is managed by the housing authority and is estimated to be a two to three year wait. Management does accept Housing Choice Vouchers for the 11 units that do not operate with subsidy; however, currently none of the current tenants in those units are using vouchers.

## 2. The following information is provided as required by DCA:

### Housing Choice Vouchers

The following table illustrates Housing Choice Voucher (HCV) tenancy rates at the comparable properties.

Tenants with Vouchers		
Comparable Property	Type	Housing Choice Voucher Tenants
Sheppard Station	LIHTC	3%
Veranda Village	LIHTC	7%
Rice Creek	Market	0%
The Georgian	Market	0%
The Springs At Effingham	Market	0%
Veranda At Midtown	Market, PBRA	0%
<b>Average</b>		<b>2%</b>

As illustrated in the table, the unrestricted comparables do not accept Housing Choice Vouchers (HCVs). The LIHTC properties have very low HCV rates. Therefore, we anticipate that the Subject will have HCV rates of 10 percent or less.

### Lease Up History

Three properties were able to report absorption rates. These are summarized in the following table. It should be noted that Springs at Effingham and Rice Creek are continuing to stabilize and therefore the following data is preliminary.

ABSORPTION RATES					
Property	Location	Type	Tenancy	Year Built/Opened	Number of Units Absorbed Per Month
Springs at Effingham	Rincon	Market	Family	2008	9
Rice Creek	Port Wentworth	Market	Family	2009	16
Sheppard Station	Pooler	LIHTC, Market	Senior	2009	12
<b>AVERAGE</b>					<b>12</b>

Springs at Effingham is continuing to stabilize and is experiencing difficulty due to the large number of units at the property and turnover as the property has been stabilizing since April 2008. Rice Creek is also continuing to stabilize and has reached an absorption period extending beyond one year; therefore, the property is also experiencing turnover as a hindrance to reaching 93 percent occupancy. Sheppard Station is a senior LIHTC property in Pooler that opened in 2009 and stabilized at a rate of 12 units per month. The Subject will offer similar LIHTC rents to Sheppard Station; therefore, we believe the Subject will stabilize at a similar rate. We conservatively estimate that the Subject will stabilize at a rate of eight to 10 units per month. This rate yields an absorption period of four to six months.

### Phased Developments

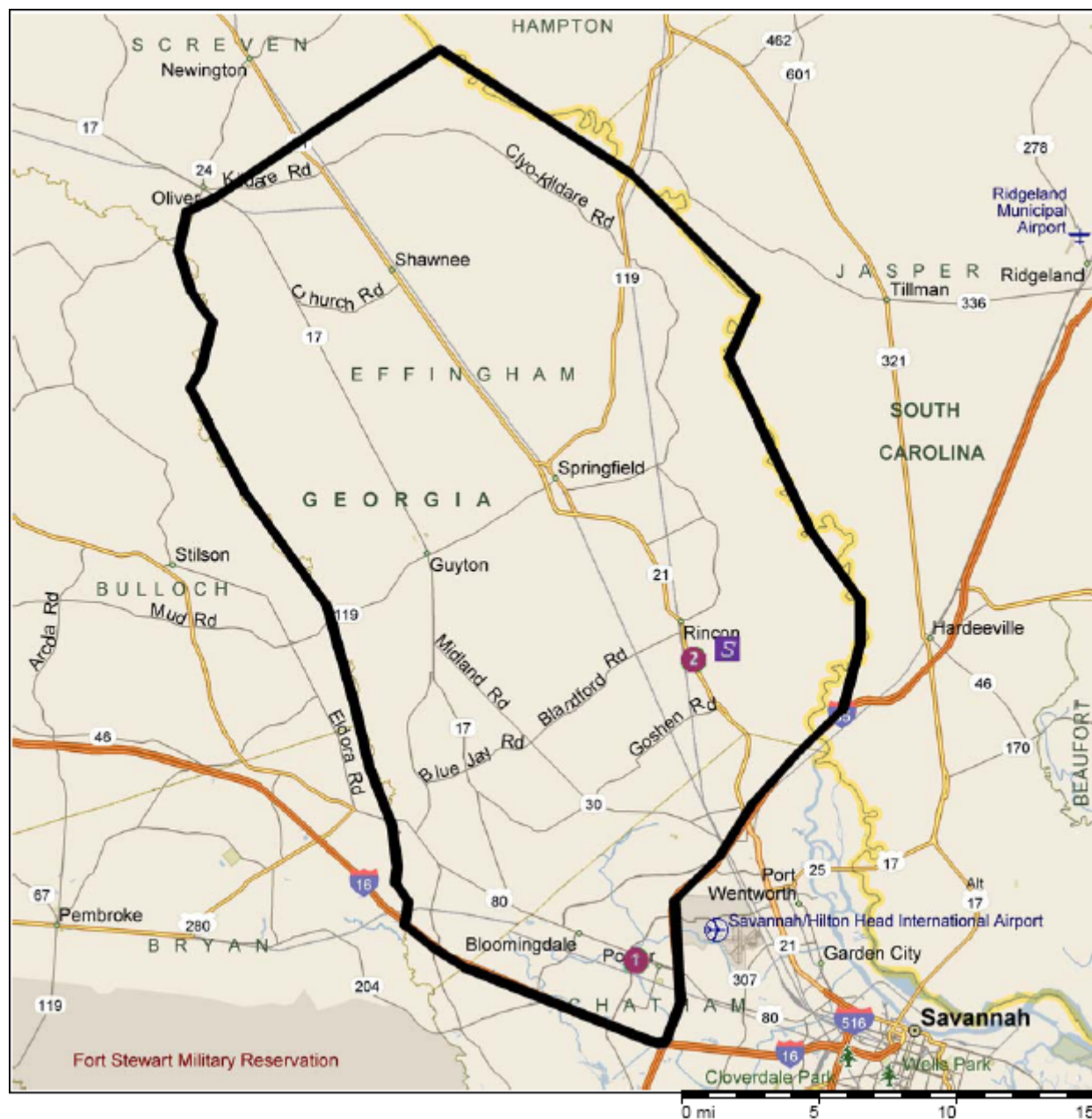
Not applicable.

### Rural Areas

The Subject is located in an urban area within the Savannah, GA MSA and therefore is not in a rural area.

### 1. COMPETITIVE PROJECT MAP

The following map illustrates existing and proposed LIHTC and bond properties in the PMA that are competitive with the Subject.



### COMPETITIVE PROJECTS

#	Property Name	City	Tenancy	Type	Distance
1	Sheppard Station	Pooler	Senior	50%, 60%, Market	13.3 miles
2	Veranda Village	Rincon	Family	30%, 50%, 60%, Market	1.2 miles

## 2. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in pink, while those properties that do not offer an amenity that the Subject does offer are shaded in blue. Thus, the inferior properties can be identified by the blue and the superior properties can be identified by the pink.

# Silverwood Place, Rincon, GA; Market Study

## AMENITY MATRIX

	Silverwood Place	Sheppard Station	Veranda Village	Rice Creek	The Georgian	The Springs At Effingham	Veranda At Midtown
Comp #	Subject	1	2	3	4	5	6
<b>Property Information</b>							
Property Type	One-story (age-restricted)	Lowrise (age-restricted)	Garden (2 stories)	Garden (3 stories)	Garden (2 stories)	Garden (2 stories)	Midrise (age-restricted) (4 stories)
Year Built / Renovated	2012	2009	2005	2009	1987/1988 / 1997	2008	2005
Market (Conv.)/Subsidy Type			@ 30%, @ 50%, @ 60%,				
	@ 50%, @ 60%	Market	Market	Market	Market	Market	Market, PBRA
<b>In-Unit Amenities</b>							
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	no	no	no	no	yes	yes
Garbage Disposal	yes	no	yes	yes	yes	yes	yes
Hand Rails	yes	yes	no	no	no	no	yes
Microwave	yes	no	no	yes	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	no	no	no	no	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	no	no	yes	no	no	yes	no
Washer/Dryer	no	yes	no	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	no	yes	yes
<b>Property Amenities</b>							
Basketball Court	no	no	yes	no	no	no	no
Business Center/Computer Lab	yes	yes	yes	yes	no	yes	no
Car Wash	no	no	no	yes	no	yes	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	no	yes	yes
Elevators	no	yes	no	no	no	no	yes
Exercise Facility	yes	yes	yes	yes	yes	no	yes
Garage	no	no	no	no	yes	yes	no
Central Laundry	yes	no	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	yes	no	no	yes	yes
Playground	no	no	yes	yes	no	no	no
Recreation Areas	yes	yes	no	no	no	yes	no
Service Coordination	no	yes	no	no	no	no	no
Swimming Pool	no	no	no	yes	yes	yes	no
Tennis Court	no	no	no	no	yes	no	no
Theatre	no	no	no	no	no	no	yes
Garage Fee	N/A	N/A	N/A	\$100.00	N/A	\$85.00	N/A
<b>Services</b>							
<b>Security</b>							
In-Unit Alarm	no	yes	no	no	no	no	no
Limited Access	no	no	no	no	no	no	yes
<b>Premium Amenities</b>							
<b>Other Amenities</b>							
Other	Gazebo	Horseshoe pit, shuffleboard, library, garden	Walking trail, gazebo, pavilion	Dog park	n/a	Media room	Library

The Subject will offer an in-unit and common area amenity package that is competitive with the comparables as the Subject's amenities will include, but are not limited to: business center/computer lab, clubhouse/community room, and exercise facility. The Subject will be slightly inferior to Sheppard Station in amenities as Sheppard Station offers washer/dryers in the units, a horseshoe pit, library, and garden.

3. The Subject will target senior households ages 55 and older. We have included senior LIHTC properties in the PMA as well as a senior property in Savannah that offers unrestricted and PBRA units, Veranda at Midtown.

#### 4. Vacancy

The following table illustrates the vacancy rates in the market.

**Overall Vacancy**

Property Name	Rent Structure	Location	Tenancy	Total Units	Vacant Units	Vacancy Rate
Sheppard Station	50%, 60%, Market	Pooler	Senior	65	0	0.0%
Veranda Village	30%, 50%, 60%, Market	Rincon	Family	96	2	2.1%
Rice Creek	Market	Port Wentworth	Family	240	40	16.7%
The Georgian	Market	Rincon	Family	184	37	20.1%
The Springs At Effingham	Market	Rincon	Family	352	106	30.1%
Veranda At Midtown	Market, PBRA	Savannah	Senior	100	2	2.0%
<b>LIHTC Vacancy</b>				<b>138</b>	<b>2</b>	<b>1.4%</b>
<b>Overall (Stabilized)</b>				<b>445</b>	<b>41</b>	<b>9.2%</b>

\*Only includes LIHTC units

As illustrated, LIHTC vacancy in the market is low at 1.4 percent. The two senior LIHTC comparables in the PMA are 98 and 100 percent occupied with waiting lists. The third senior comparable, Veranda at Midtown in Savannah, is also 98 percent occupied. The LIHTC market appears to be very healthy in the PMA.

We have included the two closest new construction market rate properties to the Subject: The Springs at Effingham and Rice Creek. These properties have experienced prolonged absorption periods as they offer high rents and a large number of units. We have included them as they are located in the Subject's neighborhood and are comparable to the Subject in age/condition. The third market rate comparable, The Georgian, is located in the Subject's immediate neighborhood and offers lower rents. While The Georgian is significantly inferior to the Subject in age/condition, its lower rents render it a more relevant market rate comparable. All three senior comparables offer unrestricted units. These properties offer a total of 34 unrestricted units, of which two (six percent) are vacant. These vacancies are attributed to regular turnover. Therefore, high unrestricted vacancy in the market appears to be limited to family market rate properties. The property manager at the The Georgian indicated that vacancy is high for various reasons. Newer properties opened in the market creating more competition. Second, layoffs in the local economy have resulted in some evictions due to nonpayment of rent. Third, the property does not offer certain amenities such as washer/dryer connections, which has limited the property's marketability in addition to the property's physical deterioration.

The property manager at the only LIHTC property in Rincon, Veranda Village, reported that there is demand for 100 senior LIHTC units in the market. Overall, given the low LIHTC vacancy in the market and the presence of waiting lists at the Subject's most comparable

properties, we believe the Subject will maintain a vacancy rate of five percent or less, once stabilized.

## 5. Properties Under Construction and Proposed

There are no senior LIHTC properties that have been proposed or under construction in the PMA.

## 6. Rental Advantage

The following table illustrates the Subject's similarity to the comparable properties.

Similarity Matrix								
#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Sheppard Station	50%, 60%, Market	Slightly Superior	Slightly Superior	Slightly Inferior	Similar	Superior	15
2	Veranda Village	30%, 50%, 60%, Market	Similar	Similar	Similar	Slightly Inferior	Superior	5
3	Rice Creek	Market	Slightly Superior	Slightly Superior	Similar	Similar	Superior	20
4	The Georgian	Market	Inferior	Inferior	Similar	Inferior	Similar	-30
5	The Springs At Effingham	Market	Slightly Superior	Slightly Superior	Similar	Similar	Superior	20
6	Veranda At Midtown	Market, PBRA	Similar	Similar	Slightly Inferior	Slightly Inferior	Similar	-10

\*Inferior=-10, slightly inferior=-5, similar=0, slightly superior=5, superior=10.

The rental rates at the LIHTC properties are compared to the Subject's proposed 50 and 60 percent AMI rents in the following table.

### LIHTC Rent Comparison - @50%

Property Name	1BR	2BR
Silverwood Place (Subject)	\$390	\$450
<b>LIHTC Maximum (Net)</b>	<b>\$423</b>	<b>\$497</b>
Veranda Village	\$450	\$530
Sheppard Station	\$415	\$450
<b>Average (excluding Subject)</b>	<b>\$433</b>	<b>\$490</b>

### LIHTC Rent Comparison - @60%

Property Name	1BR	2BR
Silverwood Place (Subject)	\$400	\$450
<b>LIHTC Maximum (Net)</b>	<b>\$533</b>	<b>\$630</b>
Veranda Village	\$470	\$530
Sheppard Station	\$415	\$450
<b>Average (excluding Subject)</b>	<b>\$443</b>	<b>\$490</b>

The Subject's rents are set well below the maximum allowable rents at the 50 and 60 percent AMI levels. The Subject's one-bedroom rents are set below the one-bedroom rents at Sheppard Station at 50 and 60 percent AMI and the Subject's two-bedroom rents are set at the level of Sheppard Station. Sheppard Station is the most comparable property to the Subject as it opened in 2009, is in excellent condition, and targets seniors. Sheppard Station is located in Pooler and offers a slightly inferior location as the property is isolated. The Subject will be located within



walking distance to retail. Veranda Village is a family LIHTC property located in Rincon and is in good condition as it opened in 2005. The property manager estimated that approximately half of the property's tenants are seniors. Therefore, rents at this property are indicative of achievable senior rents in Rincon. The Subject's rents will be set well below that of Veranda Village. Sheppard Station is 100 percent occupied with a waiting list of 150 households or more and Veranda Village is 98 percent occupied with a waiting list that ranges from three months to three years depending on the unit type. The Subject's rents are set at or below these properties whose rents appear to be well-received in the market. Therefore, we believe the Subject's rents are achievable as proposed.

The overall average and the maximum and minimum adjusted rents for the market properties surveyed are illustrated in the table below in comparison with net rents for the Subject. Per GA DCA's guidelines, "average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently achieving." Therefore, the following table includes rents for both LIHTC and unrestricted units. The Subject offers 100 percent public housing subsidy; therefore, all tenants will pay 30 percent of their income towards the monthly rent.

#### **SUBJECT RENT COMPARISON TO LIHTC AND MARKET RENTS**

<b>Unit Type</b>	<b>Subject Rent</b>	<b>Surveyed Min</b>	<b>Surveyed Max</b>	<b>Surveyed Average (All Comps)</b>	<b>Surveyed Average (Senior/LIHTC Comps)</b>	<b>Subject Rent Advantage*</b>
1 BR @ 50%	\$390	\$415	\$825	\$572	\$480	19%
2 BR @ 50%	\$450	\$450	\$1,040	\$741	\$516	13%
1 BR @ 60%	\$400	\$415	\$825	\$572	\$480	17%
2 BR @ 60%	\$450	\$450	\$1,040	\$741	\$516	13%

\*Based upon the Subject's rent advantage over the surveyed average of the LIHTC and unrestricted units at the senior and/or LIHTC comparables.

The previous table includes two surveyed average rents: one for all comparables including Springs at Effingham and Rice Creek; and, one for the rents at the senior and LIHTC comparables only. Springs at Effingham and Rice Creek are newly constructed market rate properties that offer extensive amenity packages. Both properties have experienced a prolonged stabilization period as a result of their high rents. Although the rents at these properties are significantly higher than those proposed for the Subject, we have included them as comparables as they are within 0.9 and 2.1 miles of the Subject site. They are among the closest market rate properties to the Subject and represent the local new construction multifamily market. The Subject rent advantage is calculated based upon the surveyed average of the rents at the senior and/or LIHTC comparables only. The Subject will have a 13 to 19 percent rent advantage over the surveyed average of these comparables. The following table demonstrates the Subject's rent advantage over the unrestricted units offered at Sheppard Station (senior), Veranda Village (family), and Veranda at Midtown (senior).

**SUBJECT RENT COMPARISON TO SENIOR UNRESTRICTED RENTS**

Unit Type	Subject Rent	Sheppard Station	Veranda Village	Veranda at Midtown	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$390	\$475	\$495	\$638	\$536	27%
2 BR @ 50%	\$450	\$525	\$610	N/Ap	\$568	21%
1 BR @ 60%	\$400	\$475	\$495	\$638	\$536	25%
2 BR @ 60%	\$450	\$525	\$610	N/Ap	\$568	21%

As the previous table demonstrates, the Subject's LIHTC rents will have a market advantage over the unrestricted rents offered at Sheppard Station, Veranda Village, and Veranda at Midtown, which are more indicative of achievable unrestricted rents in the senior market. Overall, the Subject's rents are set at or below the LIHTC comparables and therefore are feasible as proposed.

**7. LIHTC Competition – Recent Allocations within Two Miles**

According to information on Georgia Department of Community Affairs LIHTC allocation lists, there have been no senior LIHTC allocations within two miles of the Subject in 2008 and 2009.

**8. Rental Trends in the PMA**

The following table is a summary of the tenure patterns of the housing stock in the PMA.

**TENURE PATTERNS PMA (AGES 55+)**

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
1990	-	-	-	-
2000	4,268	86.78%	650	13.22%
2009	6,455	85.57%	1,088	14.43%
Prj Mrkt Entry				
June 2012	7,728	85.60%	1,300	14.40%
2014	8,638	85.62%	1,451	14.38%

Source: ESRI Demographics 2009; Novogradac & Company LLP, June 2010

Renter-occupied housing units dominate the housing market in the PMA. Nationally, approximately 87 percent of seniors are homeowners and 13 percent of seniors are renters. The PMA has a higher percentage of senior renter households than the nation as a whole. This bodes well for the Subject's two bedroom age-restricted units.

Historical vacancy is unavailable for the Subject's comparable properties; however, management was able to report rent growth over the past year.

**Rent Growth**

<b>Comparable Property</b>	<b>Rent Structure</b>	<b>Rent Growth</b>
Sheppard Station	50%, 60%, Market	None
Veranda Village	30%, 50%, 60%, Market	Inc. 6% 2009
Rice Creek	Market	Change daily
The Georgian	Market	Decreased
The Springs At Effingham	Market	Change daily
Veranda At Midtown	Market, PBRA	Inc. 4% Jan 2010

As the previous table demonstrates, two of the senior comparables experienced rent growth over the past year. All three senior comparables are currently 98 to 100 percent occupied despite the increase in rents, which indicates that there may be potential for rent growth among senior LIHTC properties in the market.

### **9. Impact of Foreclosed, Abandoned and Vacant Structures**

According to RealtyTrac's May 2010 foreclosure research, there were approximately 152 properties that filed for foreclosure in Rincon, GA; which equates to approximately one in every 306 housing units filed for foreclosure. Effingham County experienced a slightly lower foreclosure rate in May 2010 of one in every 318 housing units. Comparatively, Georgia experienced a foreclosure rate of one in every 334 housing units and the nation experienced a foreclosure rate of one in every in that same month. Based on our site inspection, there did not appear to be any foreclosed or abandoned property near the Subject. Therefore, we do not expect that the Subject will be negatively affected by foreclosures.

We also spoke with Ms. Karen Thomas, a realtor at Coldwell Banker Platinum Partners regarding the sales of seniors' homes in the Savannah MSA. Ms. Thomas reported that because home sales have improved in 2010 over 2009, the state of the local real estate market is not a hindrance for seniors should they want to sell their homes.

### **10. Primary Housing Void**

The most comparable LIHTC property, Sheppard Station, is 100 percent occupied with a waiting list of 150 households or more. The only LIHTC property in Rincon is a family LIHTC property (Veranda Village). The property is currently 98 percent occupied and maintains a waiting list. The property manager reported that approximately half of the tenants are seniors, indicating the lack of senior housing in the PMA. We believe the Subject will fill this void.

### **11. Effect of Subject on Other Affordable Units in Market**

The two LIHTC comparables are 98 and 100 percent occupied and maintain lengthy waiting lists. We interviewed the property manager at Veranda Village, the family LIHTC property in Rincon, who reported that approximately half of the property's tenants are seniors. The property manager estimated that there is demand for 100 senior LIHTC units in the market and that the opening of a senior LIHTC property in Rincon would not negatively impact the property in the long-term. Therefore, we do not believe the Subject will negatively affect other affordable units in the market in the long-term.

### **Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. We recommend the Subject as proposed. Strengths of

the Subject will include its location within walking distance to retail, its new construction, its design as a single-story development, and its proximity to Highway 21, which provides excellent access to and from the site. The Subject will offer rents at or below the existing LIHTC comparables, which are 98 to 100 percent occupied with waiting lists. Further, the property manager at the one LIHTC property in Rincon reported that there is demand for 100 senior LIHTC units in the market. The Subject will be the only senior LIHTC property in Rincon and will be an improvement to the neighborhood.

## **I. ABSORPTION & STABILIZATION RATES**

**Stabilization/Absorption Rate**

Three properties were able to report absorption rates. These are summarized in the following table. It should be noted that Springs at Effingham and Rice Creek are continuing to stabilize and therefore the following data is preliminary.

**ABSORPTION RATES**

<b>Property</b>	<b>Location</b>	<b>Type</b>	<b>Tenancy</b>	<b>Year Built/Opened</b>	<b>Number of Units Absorbed Per Month</b>
Springs at Effingham	Rincon	Market	Family	2008	9
Rice Creek	Port Wentworth	Market	Family	2009	16
Sheppard Station	Pooler	LIHTC, Market	Senior	2009	12
<b>AVERAGE</b>					<b>12</b>

Springs at Effingham is continuing to stabilize and is experiencing difficulty due to the large number of units at the property and turnover as the property has been stabilizing since April 2008. Rice Creek is also continuing to stabilize and has reached an absorption period extending beyond one year; therefore, the property is also experiencing turnover as a hindrance to reaching 93 percent occupancy. Sheppard Station is a senior LIHTC property in Pooler that opened in 2009 and stabilized at a rate of 12 units per month. The Subject will offer similar LIHTC rents to Sheppard Station; therefore, we believe the Subject will stabilize at a similar rate. We conservatively estimate that the Subject will stabilize at a rate of eight to 10 units per month. This rate yields an absorption period of four to six months.

## **J. INTERVIEWS**

### **Housing Authority of Savannah**

We spoke with Christy Shepler, waiting list processor at the Waycross Regional Housing Office regarding their housing choice voucher program. According to Ms. Shepler, there are 123 vouchers under contract in Effingham County. There are 26 people on the waiting list, and the waiting list has been closed since May 20, 2008. The following table lists the 2009 payment standards, which are 110 percent of Fair Market Rent.

<b>2009 PAYMENT STANDARDS</b>	
<b>Number of Bedrooms</b>	<b>Payment Standard</b>
0BR	\$676
1BR	\$732
2BR	\$815
3BR	\$1,082

The Subject's gross rents are below the payment standard.

### **Planning**

We interviewed Tia Westmoreland, Building and Zoning Coordinator for the Effingham County Planning and Zoning department regarding proposed developments and developments under construction near the Subject. According to Ms. Westmoreland, there is a Verizon building proposed at the intersection of Highway 21 and Fort Howard, approximately 2.1 miles from the Subject. Ms. Westmoreland reported that the plans have not been submitted for this retail building yet, but that the owners have discussed starting construction by the end of 2010. Ms. Westmoreland estimated that the projected would be completed within twelve months of starting construction.

**Additional interviews can be found in the comments section of the property profiles.**



## **K. CONCLUSIONS AND RECOMMENDATIONS**

## CONCLUSIONS

- Overall, there is a very strong population and household growth in the PMA, among the total population and the senior population. The senior population, for persons 55 and above, is growing at a significant 6.3 annual rate, almost twice the expected rate in the Savannah MSA between 2009 and 2014. This strong senior population growth is a strong indication of demand for the Subject. The increase in total senior households is also projected to be very strong, growing at a 6.7 percent annual rate, over twice the rate expected in the Savannah MSA. The tenure pattern in the PMA is on par with the national rate, with 14 percent of seniors residing in renter-occupied housing units, compared to the national rate of 13 percent. The Subject will target households earning incomes between \$15,600 and \$28,320. In 2009, approximately 29.1 percent of households earn between \$10,000 and \$29,999 in the PMA. Persons in these income cohorts are expected to create demand for the Subject. Another strong trend for the Subject is the household composition. Among seniors 55 and above, approximately 88 percent in 2009 resided in one or two person households. This data is strong for the Subject's one and two bedroom units.

According to RealtyTrac's May 2010 foreclosure research, there were approximately 152 properties that filed for foreclosure in Rincon, GA; which equates to approximately one in every 306 housing units filed for foreclosure. Effingham County experienced a slightly lower foreclosure rate in May 2010 of one in every 318 housing units. Comparatively, Georgia experienced a foreclosure rate of one in every 334 housing units and the nation experienced a foreclosure rate of one in every in that same month. Based on our site inspection, there did not appear to be any foreclosed or abandoned property near the Subject. Therefore, we do not expect that the Subject will be negatively affected by foreclosures.

These community demographics along with the demand analysis demonstrate that there is sufficient demand for the Subject's one and two bedroom units.

- Total employment in Effingham County increased significantly between 2005 and 2008, but also declined significantly in 2009. Between December 2008 and December 2009, total employment had declined over ten percent. The largest industries in the PMA are manufacturing, retail trade, and construction. These three industries are particularly susceptible during recessions as households cut back on spending.

Ms. Fran Miller with the Effingham County Chamber of Commerce reported that there were no major layoffs in the county and no layoffs were reported to the Georgia Department of Labor between 2008 and 2010 in Effingham County. This implies that the decrease in employment was due to a large number of small layoffs.

The Savannah MSA experienced strong employment growth from 2004 to 2007. As a result of the housing crisis and subsequent recession, annual total employment growth slowed in 2008 through 2010 (to date). Between April 2009 and April 2010, total employment decreased approximately 1.7 percentage points. Similarly, the year-over-

year comparison of unemployment rates in the Savannah MSA indicates an increase of just under one percentage point. The Savannah unemployment rate remains under the national unemployment rate at 8.3 percent in April 2010, compared to 9.5 percent in April 2010 for the nation. As of April 2010, the unemployment rate in Effingham County was 8.1 percent, according to the Bureau of Labor Statistics. This is lower than Savannah, Georgia, and the nation.

The Subject will offer two bedroom age-restricted units. Seniors are generally less affected by the local economic downturn as seniors typically do not require employment. As other senior properties near the Subject have maintained high occupancy, we do not expect the Subject to be negatively affected by the recession.

- The following table illustrates the Subject's capture rates.

CAPTURE RATE ANALYSIS CHART

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
1BR @ 50%	3	105	20	85	3.5%
2BR @ 50%	5	97	24	73	6.8%
1BR @ 60%	15	159	5	154	9.7%
2BR @ 60%	25	147	5	142	17.6%
<b>Overall</b>	<b>48</b>	<b>315</b>	<b>54</b>	<b>261</b>	<b>18.4%</b>

Based upon capture rates, we believe the Subject is feasible as proposed.

- Three properties were able to report absorption rates. These are summarized in the following table. It should be noted that Springs at Effingham and Rice Creek are continuing to stabilize and therefore the following data is preliminary.

ABSORPTION RATES

Property	Location	Type	Tenancy	Year Built/Opened	Number of Units Absorbed Per Month
Springs at Effingham	Rincon	Market	Family	2008	9
Rice Creek	Port Wentworth	Market	Family	2009	16
Sheppard Station	Pooler	LIHTC, Market	Senior	2009	12
<b>AVERAGE</b>					<b>12</b>

Springs at Effingham is continuing to stabilize and is experiencing difficulty due to the large number of units at the property and turnover as the property has been stabilizing since April 2008. Rice Creek is also continuing to stabilize and has reached an absorption period extending beyond one year; therefore, the property is also experiencing turnover as a hindrance to reaching 93 percent occupancy. Sheppard Station is a senior LIHTC property in Pooler that opened in 2009 and stabilized at a rate of 12 units per month. The Subject will offer similar LIHTC rents to Sheppard Station; therefore, we believe the Subject will stabilize at a similar rate. We conservatively estimate that the Subject will

stabilize at a rate of eight to 10 units per month. This rate yields an absorption period of four to six months.

- Vacancy rates among LIHTC units in the market is low at 1.4 percent. The two senior LIHTC comparables in the PMA are 98 and 100 percent occupied with waiting lists. The third senior comparable, Veranda at Midtown in Savannah, is also 98 percent occupied. The LIHTC market appears to be very healthy in the PMA.

We have included the two closest new construction market rate properties to the Subject: The Springs at Effingham and Rice Creek. These properties have experienced prolonged absorption periods as they offer high rents and a large number of units. We have included them as they are located in the Subject's neighborhood and are comparable to the Subject in age/condition. The third market rate comparable, The Georgian, is located in the Subject's immediate neighborhood and offers lower rents. While The Georgian is significantly inferior to the Subject in age/condition, its lower rents render it a more relevant market rate comparable. All three senior comparables offer unrestricted units. These properties offer a total of 34 unrestricted units, of which two (six percent) are vacant. These vacancies are attributed to regular turnover. Therefore, high unrestricted vacancy in the market appears to be limited to family market rate properties. The property manager at the The Georgian indicated that vacancy is high for various reasons. Newer properties opened in the market creating more competition. Second, layoffs in the local economy have resulted in some evictions due to nonpayment of rent. Third, the property does not offer certain amenities such as washer/dryer connections, which has limited the property's marketability in addition to the property's physical deterioration.

Overall, given the low LIHTC vacancy in the market and the presence of waiting lists at the Subject's most comparable properties, we believe the Subject will maintain a vacancy rate of five percent or less, once stabilized.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. We recommend the Subject as proposed. Strengths of the Subject will include its location within walking distance to retail, its new construction, its design as a single-story development, and its proximity to Highway 21, which provides excellent access to and from the site. The Subject will offer rents at or below the existing LIHTC comparables, which are 98 to 100 percent occupied with waiting lists. The Subject's rent advantage over the surveyed average of the comparables is significant, ranging from 32 to 37 percent. Further, management at the one LIHTC property in Rincon reported that there is demand for 100 senior LIHTC units in the market. management at the senior comparables reported demand for additional senior units in the market. The Subject will be the only senior LIHTC property in Rincon and will be an improvement to the neighborhood.

### **Recommendations**

- We recommend the Subject as proposed.

## **L. SIGNED STATEMENT REQUIREMENTS**

I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



---

H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP

7-19-2010

---

Date



---

Michalena M. Sukenik  
Manager  
Novogradac & Company LLP

7-19-2010

---

Date



---

Kristina V. Garcia  
Real Estate Analyst  
Novogradac & Company LLP

7-19-2010

---

Date

## **K. ANALYST QUALIFICATIONS**

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## H. BLAIR KINCER, MAI

### I. Education

Duquesne University, Pittsburgh, Pennsylvania  
Masters in Business Administration  
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia  
Bachelor of Science in Business Administration  
Graduated Magna Cum Laude

### II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)  
Past Member Frostburg Housing Authority  
Certified General Real Estate Appraiser, No. 31534 – State of Arizona  
Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut  
Certified General Real Estate Appraiser, No. CG100026242 – State of Colorado  
Certified General Real Estate Appraiser, No 4206 – State of Kentucky  
Certified General Real Estate Appraiser, No. 1326 – State of Maryland  
Certified General Real Estate Appraiser, No. 1201073262 – State of Michigan  
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi  
Certified General Real Estate Appraiser, No. 46000039124 – State of New York  
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina  
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania  
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina  
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee  
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia  
Certified General Real Estate Appraiser, No. 1101008 – State of Washington  
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

### III. Professional Experience

**Partner**, Novogradac & Company LLP  
**Vice President**, Capital Realty Advisors, Inc.  
**Vice President - Acquisitions**, The Community Partners Development Group, LLC  
**Commercial Loan Officer/Work-Out Specialist**, First Federal Savings Bank of Western MD  
**Manager** - Real Estate Valuation Services, Ernst & Young LLP  
**Senior Associate**, Joseph J. Blake and Associates, Inc.  
**Senior Appraiser**, Chevy Chase, F.S.B.  
**Senior Consultant**, Pannell Kerr Forster

### IV. Professional Training

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market



analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since.

## **V. Real Estate Assignments – Examples**

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.
- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.

- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **NICOLE KELLEY**

### **I. Education**

Auburn University, Auburn, Alabama  
Bachelor of Science in Business Administration  
Auburn University, Auburn, Alabama  
Master of Business Administration

### **II. Professional Experience**

Analyst, Novogradac & Company LLP (Start Date: May 2006 – Present)  
Intern, Bullock Mannelly Partners  
Graduate Assistant, Auburn University College of Business

### **III. Research Assignments**

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assisted with market studies of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties. Market analysis includes preliminary property screenings, market analysis, comparable rent surveys, and demand analysis.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit properties.
- Assisted in the preparation of Rent Comparability Studies according to HUD guidelines.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## KRISTINA V. GARCIA

### I. Education

Emory University, Atlanta, Georgia  
Bachelor of Arts

### II. Professional Experience

Researcher, Novogradac & Company LLP (April 2007 – Present)

### III. Assignments

- Conducts and assists with market feasibility studies of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Market analysis typically includes: physical inspection of site and market, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assists with appraisals of existing and proposed Low-Income Housing Tax Credit properties, Rural Development properties, and Section 8 properties.
- Conducts and assists with the preparation of Rent Comparability Studies according to HUD guidelines.

### REPRESENTATIVE SAMPLE OF ENGAGEMENTS

#### **Market Study Experience—Proposed LIHTC New Construction and Rehabilitation Developments:**

Analyst has conducted research for market studies within the following states and U.S. territories:

- |              |                 |                  |                  |                 |
|--------------|-----------------|------------------|------------------|-----------------|
| • Alabama    | • Guam          | • Michigan       | • Oklahoma       | • Texas         |
| • Arizona    | • Illinois      | • Mississippi    | • Pennsylvania   | • Utah          |
| • Arkansas   | • Indiana       | • New York       | • Puerto Rico    | • Virginia      |
| • California | • Kentucky      | • New Jersey     | • Rhode Island   | • Washington    |
| • Florida    | • Louisiana     | • North Carolina | • South Carolina | • West Virginia |
| • Georgia    | • Massachusetts | • North Dakota   | • Tennessee      |                 |

#### **HUD Rent Comparability Study Experience:**

Analyst has conducted research for rent comparability studies within the following states:

- |           |           |           |            |                  |         |
|-----------|-----------|-----------|------------|------------------|---------|
| • Alabama | • Florida | • Georgia | • New York | • South Carolina | • Texas |
|-----------|-----------|-----------|------------|------------------|---------|

#### **Appraisal Research Experience:**

Analyst has conducted research for appraisals within the following states:

- |           |           |           |             |            |                  |            |
|-----------|-----------|-----------|-------------|------------|------------------|------------|
| • Alabama | • Florida | • Georgia | • Louisiana | • New York | • South Carolina | • Virginia |
|-----------|-----------|-----------|-------------|------------|------------------|------------|

#### **Miscellaneous Housing Studies:**

- Conducted research for a comprehensive citywide housing market analysis for the City of Biloxi, MS which included a housing needs assessment.
- Conducted research for comprehensive neighborhood housing market analysis for the New Orleans East neighborhood in New Orleans, LA for the Louisiana Housing and Finance Agency. regarding housing needs and economic trends Pre- and Post- Hurricane Katrina
- Conducted research for mixed-use HOPE VI redevelopment plan for Tindall Heights Macon Housing Authority's Tindall Heights Public Housing